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ABSTRACT

This workbook for financial aid administrators was intended for use at a 4-day workshop and provides information and detailed instructions on how to apply for and document applications for student financial assistance. Each section first outlines some basic rules and timetables, then uses a question-and-answer format and sample documents to guide users through the process. Sections include: (1) an introduction and overview; (2) student eligibility and obtaining student financial aid histories; (3) the Free Application for Federal Student Aid (FAFSA) and other output documents; (4) calculating the amount of student aid, including calculations for cost of attendance, expected family contribution, and student need; (5) communicating with students and families; (6) verification, updating, and correcting; (7) institutional eligibility and financial responsibility, cash management rules, and demonstrating school administrative capability; (8) electronic processing requirements; (9) overawards and overpayment and extra practice on student eligibility, packaging, and verification; (10) Pell grants; (11) campus-based programs; (12) direct loans and Federal Family Education Loans (FFELs); (13) refunds and repayments; and (14) using professional judgement. Appendixes include a list of acronyms, a glossary, a resource list, and reproductions of overhead slides used in the sessions. (SM)

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Basic Training Materials

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2000-2001 participant's workbook

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Precertification Agenda

Day 1

Session 1: Introduction and Overview

Session 2: Student Eligibility

Session 3: FAFSAs and Output Documents

Session 4: How Much Aid Can the Student Get?

Session 5: Breakout Sessions--
Communicating with Students and Families/
CEO Session

Day 2

Session 6: Verification

Session 7: Your School and the Funds

Session 8: Electronic Processing

Session 9: Overawards & Overpayments

Guest Speaker: Office of the Inspector General

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Precertification Agenda (cont'd)

Day 3

Session 10(a): Pell Grants (Definitions & Formulas)

Session 10(b,c): Calculating Pell Grants

Session 11: Campus-Based Programs

Session 12: Loans, Loans, Loans

Day 4

Session 13: Returning Title IV Funds

Session 14: Professional Judgment

New FAA Agenda

Day 1

Session 1: Introduction and Overview

Session 2: Student Eligibility

Session 3: FAFSAs and Output Documents

Session 4: How Much Aid Can the Student Get?

Session 6: Verification

Day 2

Session 9: Extra Practice

Session 7: Your School and the Funds

Session 8: Electronic Processing

Session 5: Communicating with Students and Families

Session 11: Campus-Based Programs

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New FAA Agenda (cont'd)

Day 3

Session 10(a): Pell Grants (Definitions & Formulas)

Session 10(b,c): Calculating Pell Grants

Overawards & Overpayments

Session 12: Loans, Loans, Loans

Day 4

Session 14: Professional Judgment

Session 13: Returning Title IV Funds

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Session 1

Introduction & Overview

Questions we will answer during this session:

How is the Participant's Workbook set up?

What are the main goals of the workshop?

How did all of this get started?

What should you know about the Title IV programs?

What are Federal Registers and Dear Colleague Letters and where can you get them?

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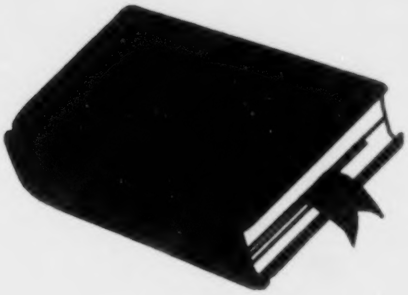
How is the Participant's Workbook set up?

Case Studies

☑ **Checkpoints**



Essential Resources for FAAs:
(Call 1-800-4FED-AID for single copies; see p. 20 for bulk orders)

- ✓ *A Guide to 2000-01 SARs and ISIRs*
- ✓ *The 1999-00 Federal Student Financial Aid Handbook*
- ✓ **The 2000-01 Free Application for Federal Student Aid**
- ✓ **Completing the 2000-01 Free Application for Federal Student Aid**
- ✓ **The Spanish FAFSA**
- ✓ *The 2000-01 Student Guide*
- ✓ **The Compilation of Regulations**
- ✓ **http://www.ifap.ed.gov**

How did all of this get started?

MILESTONES for the U.S. DEPARTMENT OF EDUCATION and STUDENT FINANCIAL AID

Morrill Act of 1862	Encouraged states to establish public universities by providing Federal land and financial support.
1867	Department of Education was created.
1944	Government funding of Higher Education began with the passage of the Servicemen's Readjustment Act or G.I. Bill.
October 4, 1957	U.S.S.R. launch of first space satellite triggered the development of Title IV student aid programs.
National Defense Education Act of 1958	National Defense Student Loan (NDSL) program began as a result.
1964	College Work-Study (CWS) program began for financially needy students as a result of the Economic Opportunity Act of 1964.
Higher Education Act of 1965	Reauthorized existing student aid programs. Educational Opportunity Grant (EOG) program, the first grant program, was initiated. Guaranteed Student Loan (GSL) program was also established. Administrative authority for these programs was placed under the Department of Health, Education, and Welfare (DHEW).
Higher Education Amendments of 1972	National Defense Student Loan was renamed National Direct Student Loan (NDSL) program. Educational Opportunity Grant became the Supplemental Educational Opportunity Grant (SEOG). Basic Educational Opportunity Grant (BEOG) began as a new grant. Reauthorized CWS program - extended GSL program. State Student Incentive Grant (SSIG) program was created. Proprietary institutions were permitted to participate in all of the Title IV student aid programs.

Higher Education Amendments of 1976	All existing programs were reauthorized. Requirement for satisfactory academic progress was introduced.
Middle Income Student Assistance Act of 1978	Basic Grant eligibility was expanded. GSL program income ceiling that had restricted eligibility was lifted.
Higher Education Amendments of 1980	All Title IV programs were reauthorized. Parent Loans for Undergraduate Students (PLUS) was created. Basic Grant renamed Pell Grant program in honor of the prime sponsor of the program, Senator Claiborne Pell.
May 4, 1980	U.S. Department of Education was established.
Omnibus Budget Reconciliation Act of 1981	Reduced funding for student financial aid. PLUS renamed Auxiliary Loans to Assist Students (ALAS).
Defense Authorization Acts of 1982 and 1983	Tied aid eligibility for males born on or after January 1, 1960 to Selective Service registration.
Technical Amendments of 1982, 1983, and 1984	Established the annual Pell Grant cost of attendance and award maximums, defined the independent student, and prescribed information that institutions must disclose to student loan recipients.
Consolidated Omnibus Reconciliation Act (COBRA) of 1985	Signed on April 7, 1986 made major changes in the Title IV programs. Some of these changes include: •requirement that all undergraduate GSL applicants have their eligibility or ineligibility for a Pell Grant determined prior to their receipt of GSL loan proceeds for the award year, •revised definition of default for GSL and PLUS loans, •restriction on the receipt of any Title IV funds by students who were in default on a Title IV loan or owe an overpayment on a Title IV grant, and •requirement that GSL and PLUS loans be disbursed in multiple payments.
Higher Education Amendments of 1986 and the Technical Amendments of 1987	Signed into law on October 17, 1986 made major changes to the Title IV student aid programs. Some of the most significant changes resulting from this legislation included: •introduction of master calendar for certain functions of the Department of Education,

- new Title IV standards for dependency status and for satisfactory academic progress,
- changed ability-to-benefit provisions,
- two need analysis methodologies incorporated into law,
- a Simplified Needs Test established,
- new time limits on the duration of student eligibility for a Pell Grant,
- renaming of the NDSL program as the Perkins Loan program,
- new selection criteria for the Perkins Loan and SEOG programs.,
- new loan program called the Supplemental Loans for Students (SLS) began,
- pilot testing of a new loan program called the Income Contingent Loan (ICL) program, and
- expansion of the areas in which aid administrators may use professional judgement.

Higher Education Amendments of 1988

Signed into law in 1988. Guaranteed Student Loan (GSL) program was renamed the Stafford Loan program, SLS loans certified after August 17, 1988 the borrower must have received a determination of eligibility for a Pell grant and a determination of need for a Stafford Loan, and SLS loans made after October 1, 1988 must be disbursed in multiple payments.

Omnibus Budget Reconciliation Act of 1989

General Provisions:

- Amended to clarify that financial aid administrators may use professional judgment in determining financial aid award only on a case-by-case basis and not adjust award amounts for groups of students.
- An institution cannot be certified or recertified as eligible if it has lost its accreditation during the preceding 24 months, unless the accreditation has been restored or the institution demonstrates its academic integrity.
- If an institution of higher education is in the process of receiving new accreditation or changing its accrediting agency, its accreditation will not be recognized (for the purpose of eligibility or Pell Grant, CB, ICL or SSIG) unless the institution submits all materials related to the prior accreditation.
- In order to be eligible for any program other than SSIG or Byrd Scholarships, an institution that admits students on the basis of their ability to benefit must make available to these students a high school equivalency program.

Omnibus Budget Reconciliation Act of 1990

General Provisions: A student admitted on the basis of ability to benefit must pass an independently administered test.

Guaranteed Student Loan Programs: Schools will be ineligible for the GSL program if their default rate is 35% or higher (30% or higher for FY 93 and beyond.)

Higher Education Technical Amendments of 1991

Desert Storm:
•defines "individual serving on active duty in connection with Operation Desert Shield or Operation Desert Storm,"
•Schools should give full refunds to those on active duty for Desert Shield or Storm,
•some reservists qualify for "special conditions,"
•administrative requirements related to loans should be reduced as much as possible,
•adjusts GSL deferments for reservists,
•extends deferments for Perkins or NDSL loans, and
•incomplete periods of instruction won't be counted for determining length of Pell Grant eligibility.
General Provisions:
• "ability-to-benefit" testing provision changed from institutional eligibility to student eligibility requirement, and
•eliminates statute of limitations on collections of loans or overpayments of other aid.
Guaranteed Student Loan Program:
Schools can refuse to certify loan applications, or certify for a smaller loan, if they document the reason and provide it to the student in writing.

Higher Education Amendments of 1992

Reauthorized the programs for six years. Established Federal Direct Loan Demonstration Program, under which ED would assume lender and guarantor functions. Added Program Integrity Provisions. Made many changes to the programs including:
•replacing the two need analysis formulas with a single formula,
•revising the definition of independent student,
•requiring a single free stand-alone application for federal aid,
•establishing unsubsidized Stafford loan program,
•requiring lenders to offer graduated or cancellation of loan if school closed.

	•requiring all guaranty agencies to have loan rehabilitation program, and •requiring ED to develop common loan forms.
ICL Program	Program ended March 31, 1993.
Omnibus Budget Reconciliation Act of 1993	General Provisions: The Omnibus Budget Reconciliation Act of 1993 was signed into law by President Clinton on August 10, 1993. Numerous changes affecting the Federal Family Education Loan (FFEL) Program under Title IV, Part B of the Higher Education Act of 1965, as amended (HEA), were made by this legislation. The new law also established requirements for transition of the FFEL Program to the Federal Direct Student Loan (FDSL) Program.
Balanced Budget Act of 1997	Eliminated the $10 loan origination fee paid to Direct Loan institutions, •reduced funding for the Department's Direct Loan program administration, and •authorized the recovery of excess guaranty agency reserves.
Taxpayer Relief Act (1997)	•HOPE Scholarship tax credit (up to $1500) for each of the first two years of college, •Lifetime Learning tax credit equal to 20% of the first $5000 of tuition and fees, •Tax deduction for interest paid on student loans, •Education IRAs for tax-free savings for college, •Penalty-free withdrawals from existing IRAs for higher education expenses, •Greater flexibility for families saving in qualified State pre-paid tuition plans, •Income exclusion for up to $5250 in employer education benefits, and •Tax-free loan forgiveness for community service.
Higher Education Amendments of 1998	Signed into law on October 7, 1998 made changes to the Title IV student aid programs.

What should you know about the Title IV Programs?

Title IV Programs

Title IV Program	Description	Law (HEA)	Regulations	1999-00 FSFA Handbook
Federal Pell Grant	Grants for financially needy undergraduate students who have not earned bachelor's degrees or a first professional degree.	Part A	Part 690	Federal Pell Grant Program Reference
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grants for undergraduate students with "exceptional financial need." (Federal Pell Grant recipients with lowest EFCs)	Part A	Part 676	Campus-Based Programs Reference
Federal Work-Study (FWS)	Self-help program that provides on-campus and off-campus employment to eligible undergraduate and graduate students.	Part C	Part 675	Campus-Based Programs Reference
Federal Perkins Loan	Low-interest loans for financially needy undergraduate and graduate/professional students.	Part E	Part 674	Campus-Based Programs Reference
Federal Direct Subsidized Loan	Loans to help financially needy graduates and undergraduates; interest subsidized by federal government; made by federal government.	Part D	Part 685	Direct Loan and FFEL Programs Reference
Federal Direct Unsubsidized Loan	Loan funds without interest subsidies for graduate and undergraduate students; made by federal government.	Part D	Part 685	Direct Loan and FFEL Programs Reference
Federal Direct PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; made by federal government.	Part D	Part 685	Direct Loan and FFEL Programs Reference
Federal Subsidized Loan	Low-interest loans to help financially needy students; from lenders, guaranteed and interest subsidized by federal government.	Part B	Part 682	Direct Loan and FFEL Programs Reference
Federal Unsubsidized Loan	Loan funds without interest subsidies for undergraduate and graduate students; from lenders, guaranteed by federal government.	Part B	Part 682	Direct Loan and FFEL Programs Reference
Federal PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; from lenders, guaranteed by federal government.	Part B	Part 682	Direct Loan and FFEL Programs Reference

Title IV Programs Summary

Title IV Program	Type of Aid	Application Required	Award/Loan Determination	Aid Recipient	Award/Loan Limits	Need Analysis	Disbursement/ Repayment
Federal Pell Grant	Gift Aid	FAFSA	Specified in ED's annual payment and disbursement schedule	Only undergraduates	$3,300 2000-01	Based on need	School acts as ED's agent to disburse. No repayment.
Campus-Based Aid Programs							
FSEOG	Gift Aid	FAFSA	School's financial aid policy and available funds	Only undergraduates, with priority given to Pell Grant recipients	$4,000 a year except in case of study abroad, where up to $400 more a year is allowed	Based on need	The school disburses funds to students. No repayment.
FWS	Self-Help Aid			Undergraduate or graduate/professional students	No annual award maximum		School disburses earned funds to students at least monthly. No repayment.
Federal Perkins Loan					$4,000 a year for undergraduates and $6,000 a year for graduate/professional students		School disburses funds to students. Repayment required.
Direct Loan and FFEL Programs							
Subsidized Loan	Self-Help Aid	**Direct Loan:** FAFSA only **FFEL:** FAFSA and FFEL common application	A student's subsidized loan added to the EFC and other EFA cannot exceed COA.	Undergraduates or graduate/ professional students	From $2,625 to $18,500, depending on grade level.	Based on need	**Direct Loan Program:** ED disburses to school; school disburses funds to student. Repayment required. **FFEL Program:** Lender disburses, school delivers funds. Repayment required.
Unsubsidized Loan			The student's unsubsidized loan added to other EFA cannot exceed COA.			Not based on need	
PLUS Loan		PLUS Loan application	The parent's PLUS Loan added to the student's other EFA cannot exceed student's COA.	Parents of dependent undergraduates	No cap, but when added to student's other EFA cannot exceed student's COA.		

Checkpoint #1 – What Am I?

Using the charts provided, identify the Title IV programs described below.

Clue #1

- This is a campus-based program, which means it is directly administered by the financial aid office at each participating school.
- This program is considered gift aid for undergraduates.
- It has been in existence for 34 years.
- It is awarded to exceptionally needy students.

What am I?

Answer____

Clue #2

- This is a loan program that benefits undergraduate dependent students.
- There is no grace period, so the parent begins payment on the loan while the student is still in school.
- The program began in 1980.

What am I?

Answer____

Clue #3

- The oldest of all the programs.
- This program is 42 years old this year.
- This program has had several different names over the years.
- This is a low-interest loan program for both undergraduate and graduate students with exceptional financial need.

- There is a nine-month grace period before repayment must begin.

What am I?

Answer____

Clue #4

- This program is probably the most recognized and most used (at least for financially needy students).
- This is a grant or gift aid program for undergraduates, so the student doesn't have to repay it.
- Since there are limited funds, a central processor determines each student's eligibility based on annual guidelines set by Congress and the U.S. Department of Education.
- Known as the "portable" grant because eligible students could take their student aid reports to any participating institution for payment.

What am I?

Answer____

Clue #5

- This program is considered self-help aid because after the student leaves school, the student has to repay the funds.
- Unlike the new loan program, private lenders (such as banks and credit unions) disburse student loan proceeds to the school.
- The school then delivers the funds to the students.

What am I?

Answer____

Clue #6

- This is one of the newer loan programs established in 1992.
- The funds come directly from the federal government.

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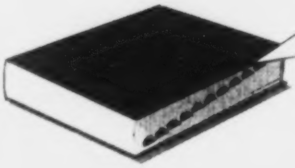
•For this self-help aid, the student only has to fill out the Free Application for Federal Student Aid (FAFSA).
What am I?

Answer____

Authorization:

Reauthorization:



Title IV: Federal student aid programs that are legally authorized by Congress in the Higher Education Act (HEA) of 1965, as amended.

What are Federal Registers and Dear Colleague Letters and where can I get them?

Federal Registers are issued to inform the public of certain regulatory actions that are to take place.

They allow schools to:

- participate in the legislative, regulatory, and policymaking processes, and
- act in accordance with laws, regulations, and policies.

Dear Colleague Letters:

- explain new regulations to the financial aid community
- clarify current regulations
- announce training and conferences
- provide systems information

You can obtain Federal Registers and Dear Colleague Letters from ED's website at http://www.ifap.ed.gov

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federal register

Thursday
October 1, 1998

Part V

Department of Education

34 CFR Part 675

Federal Work-Study Programs; Final Rule

DEPARTMENT OF EDUCATION

34 CFR Part 675

RIN 1840–AC56

Federal Work-Study Programs

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary amends the regulations governing the Federal Work-Study (FWS) Program authorized under title IV of the Higher Education Act of 1965, as amended (title IV, HEA programs). The Secretary makes these changes in response to the national need to improve student achievement in mathematics by providing for an additional waiver of the FWS institutional-share requirement for mathematics tutors of children who are in elementary school through the ninth grade.

EFFECTIVE DATE: These regulations take effect on July 1, 1999.

FOR FURTHER INFORMATION CONTACT: Kathy S. Gause, U.S. Department of Education, 600 Independence Avenue, S.W., Regional Office Building 3, Room 3045, Washington, DC 20202–5447. Telephone: (202) 708-8242. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

SUPPLEMENTARY INFORMATION:

Part 675—Federal Work-Study Programs

The Secretary is providing for an additional waiver of the FWS institutional-share requirement in § 675.26. The Secretary will authorize a Federal share of 100 percent of the compensation earned by a student during an award year if both of the following criteria are met:

1. The work performed by the student is for the institution itself, for a Federal, State, or local public agency, or for a private nonprofit organization.

2. The student is employed as a mathematics tutor for children who are in elementary school through the ninth grade.

This regulatory change will provide an institution with additional flexibility necessary to respond to the national need to improve student achievement in mathematics. Student achievement in mathematics in the United States is not at an internationally competitive level. Thirty-six percent of fourth graders and 38 percent of eighth graders score below the basic level in mathematics. The recent Third International Math and Science Study shows that, while U.S. students perform above the international average in mathematics at the fourth-grade level, by the eighth grade, relative performance is below the international average.

The President has issued a challenge to public officials, business leaders, professional organizations, institutions of higher education, teachers, parents, and students to take the steps necessary to improve student achievement in mathematics in order to prepare our students and the Nation for the twenty-first century. This challenge seeks to mobilize resources to ensure that all students are prepared to pursue rigorous high school mathematics and science courses that prepare them for college and careers. A mastery of mathematics, including a strong foundation in algebra and geometry, is a gateway to college and the job market.

One important step to improving student achievement in mathematics is to ensure that students who need it get support and activities that reinforce the classroom experience and convey the importance of acquiring a solid foundation in mathematics. The tutoring of children who are in elementary school through the ninth grade in mathematics can build a firm foundation for success throughout their lives. This investment in our youth is an investment in this country's future. The efforts associated with this new waiver for mathematics tutors of children, including the preparation of the FWS students as tutors, are justified by the benefits of preparing children to compete in the global economy and ensuring our Nation's economic growth.

This new waiver builds on the success of the "America Reads Challenge." Effective with the 1997–98 award year, the Secretary waived the FWS institutional-share requirement for reading tutors of children from infancy through elementary school. *See* 61 FR 60392 (November 27, 1996). That waiver provided institutions with the flexibility necessary to respond to the "America Reads Challenge," which is mobilizing resources to ensure that all children can read independently and well by the end of the third grade. The Secretary is pleased with the overwhelming response to that reading initiative. Over one thousand institutions have joined the "America Reads Challenge" by committing FWS students to tutor young children in reading. A diverse array of institutions, representing all types of students, made the commitment to tutor children in their communities. The "America Reads Challenge" is helping thousands of children learn to read. The FWS students not only help children read better by giving them extra learning time, they also build confidence, boost motivation, and send each child an important message: that reading counts!

Effective with the 1998–99 award year, the Secretary added a waiver of the institutional-share requirement under the FWS Program for students employed as tutors in a family literacy program that provides literacy services to children from infancy through elementary school or to their parents or caregivers. *See* 62 FR 63438 (November 28, 1997). This waiver for tutors working in family literacy programs is based on research that shows that children whose parents work with them on literacy skills during early childhood have a better chance of reading well and independently.

This new waiver for mathematics tutors will help ensure that students have a solid foundation in mathematics as they enter high school. The Department, in a 1997 report entitled "Mathematics Equals Opportunity," noted that low-income students who take algebra and geometry are almost three times as likely to attend college as those who do not. Although taking algebra by the eighth grade is a gateway to college preparatory courses, only 15 percent of low-income students enroll in algebra by the eighth grade. Mathematics tutors working with students who are in elementary school through the ninth grade can be one component of an institution's efforts to get students on the track to college.

The Secretary strongly encourages all institutions to employ FWS students as reading and mathematics tutors for children and as tutors in family literacy programs that provide services to families with preschool age children or children who are in elementary school. The placement of students in these jobs is, in many instances, an important way for institutions to meet the community service expenditure requirement under the FWS Program, serve the needs of the community, and give the FWS students a rewarding and enriching experience. As with programs providing tutoring in reading and family literacy, programs providing mathematics tutoring may take place during the children's school hours, after school, on weekends, or in the summer in order to extend learning time. The institution may create a

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mathematics-*tutoring program*, expand an existing reading tutoring program to incorporate mathematics, or continue to focus solely on reading. In addition, the institution may construct its own tutoring program or become involved in existing tutoring programs.

The new waiver of the FWS institutional-share requirement in §675.26 for mathematics tutors of children who are in elementary school through the ninth grade does not require the institution to make a request for a waiver. Also, the institution has the option of still providing an institutional share and determining the amount of that share.

It is important to note that the Secretary continues the current exceptions that authorize a Federal share of 100 percent of the compensation earned by students employed as reading tutors of preschool age children or children who are in elementary school, students employed as tutors in a family literacy program that provides services to families with preschool age children or children who are in elementary school, and students enrolled at eligible institutions under the Strengthening Institutions Program, the Strengthening Historically Black Colleges and Universities Program, or the Strengthening Historically Black Graduate Institutions Program.

Goals 2000: Educate America Act

The Goals 2000: Educate America Act (Goals 2000) focuses the Nation's education reform efforts on the eight National Education Goals and provides a framework for meeting them. Goals 2000 promotes new partnerships to strengthen schools and expands the Department's capacities for helping communities to exchange ideas and obtain information needed to achieve the goals.

These regulations address the National Education Goal that calls for increasing the rate at which students graduate from high school and pursue high quality postsecondary education.

Waiver of Proposed Rulemaking

In accordance with the Administrative Procedure Act (5 U.S.C. 553), it is the practice of the Secretary to offer interested parties the opportunity to comment on proposed regulations. However, the Secretary is specifically authorized under section 443(b)(5) of the Higher Education Act of 1965, as amended (42 U.S.C. 2753(b)(5)) to determine, through the promulgation of regulations, that the Federal share of compensation for FWS students may exceed 75 percent if required in furtherance of the purposes of the program. The Secretary has made such a determination in this case. Revising §675.26(d) will increase institutional flexibility and help to meet an important educational need for mathematics tutors in elementary school through the ninth grade without imposing any burden on the affected parties. For these reasons, the Secretary has determined, pursuant to 5 U.S.C. 553(b)(B), that public comment on the amendment to §675.26(d) is unnecessary and contrary to the public interest.

Regulatory Flexibility Act Certification

The Secretary certifies that these regulations would not have a significant economic impact on a substantial number of small entities. Small entities affected by these regulations are small institutions of postsecondary education.

The provisions of these regulations provide added flexibility to institutions. Thus, no significant adverse economic impacts on small entities are expected to occur.

Paperwork Reduction Act of 1995

These regulations have been examined under the Paperwork Reduction Act of 1995 and have been found to contain no information collection requirements.

Intergovernmental Review

The Federal Work-Study Program is not subject to the requirements of Executive Order 12372 and the regulations in 34 CFR part 79.

Assessment of Educational Impact

Based on its own review, the Department has determined that the regulations in this document do not require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

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Note: The official version of this document is the document published in the **Federal Register**.

List of Subjects in 34 CFR Part 675

Loan programs—education, Student aid.

Dated: September 28, 1998.

Richard W. Riley,

Secretary of Education.

(Catalog of Federal Domestic Assistance Number: 84.033 Federal Work-Study Program)

The Secretary amends chapter VI of Title 34 of the Code of Federal Regulations as follows:

PART 675—FEDERAL WORK-STUDY PROGRAMS

1. The authority citation for Part 675 continues to read as follows:

Authority: 42 U.S.C. 2751–2756a, unless otherwise noted.

2. Section 675.26 is amended by revising paragraph (d) to read as follows:

§675.26 FWS Federal share limitations.

* * * * *

(d) For each award year, the Secretary authorizes a Federal share of 100 percent of the compensation earned by a student under this part if—

(1) The work performed by the student is for the institution itself, for a Federal, State, or local public agency, or for a private nonprofit organization; and

(2)(i) The institution in which the student is enrolled—

(A) Is designated as an eligible institution under the Strengthening Institutions Program (34 CFR part 607), the Strengthening Historically Black Colleges and Universities Program (34 CFR part 608), or the Strengthening Historically Black Graduate Institutions Program (34 CFR part 609); and

(B) Requests that increased Federal share as part of its regular FWS funding application for that year;

(ii) The student is employed as a reading tutor for preschool age children or children who are in elementary school;

(iii) The student is employed as a tutor in a family literacy program that provides services to families with preschool age children or children who are in elementary school; or

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October 1998

GEN-98-21

Dear President:

I am writing to you to ask for your continued support as your financial aid office, business office, and computer processing services work with the Department of Education (the Department) to modernize the delivery of Federal student financial assistance beginning with the 1999-2000 academic year.

Year 2000 Compliance

First, we particularly want to remind you of the importance of your institution being "year 2000 compliant" with regard to the processing of student financial aid data. Year 2000 compliant means that all of your data systems are capable of properly processing dates that are outside of the 1900-1999 year range and have been tested as such (see "Dear President" Letter GEN-97-12, dated November 1997). Being year 2000 compliant is essential to assure that your students continue to receive the aid for which they are eligible.

Other Modernization Initiatives

In addition to continuing our efforts to ensure that the Federal student financial assistance programs are year 2000 compliant, we are pursuing modernization goals in conjunction with Project EASI (Easy Access for Students and Institutions), a collaboration with the rest of the higher education community to reengineer the national student aid delivery system. Based on this collaboration, the Department is pursuing the following four major modernization initiatives, beginning with the 1999-2000 award year, that directly affect institutional management of the Federal student financial aid programs.

Master Promissory Note

We will be introducing a new Master Promissory Note (MPN) for use as either an annual or multiyear promissory note for student borrowers in the Federal Direct Loan and Federal Family Education Loan (FFEL) programs. Each loan program will have its own MPN. Most four-year and graduate or professional institutions, as well as other institutions designated by the Department, will be able to use the note as a multiyear instrument for their students' subsequent loans. This initiative, part of the Project EASI vision, will eliminate the need for many students to complete a new promissory note each year.

Recipient Financial Management System (RFMS)

RFMS is the new processing system that all institutions participating in the Federal Pell Grant Program will use to report and request Federal Pell Grant program funds. RFMS is an important step toward implementing Project EASI's goals of delivering student financial assistance program funds based on a common business process and using community developed common data standards. We believe the new system will provide important benefits to students, institutions, and taxpayers.

Redesigned Free Application for Federal Student Aid (FAFSA)

The redesigned paper FAFSA, used by students to apply for Federal, and most other, student aid will be a more user-friendly form. We have reduced the number of pages of instruction from 12 to 4 and the number of questions from 108 to 99. We believe that the new form incorporates major improvements in simplifying and clarifying the application process. We are also continuing to implement comparable improvements in our electronic versions of the FAFSA, including FAFSA on the WEB and Renewal FAFSA on the WEB.

Use of the Internet

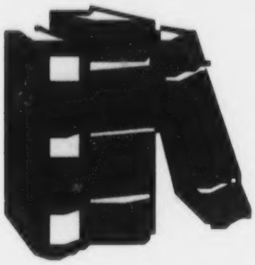
The Department is committed to moving the transmission of student aid data from the Title IV Wide Area Network (TIVWAN) to the Internet, not only as part of Project EASI but as part of a government-wide effort to deliver Federal services over the Internet. We expect that this change will positively affect the computer processing services at your institution and save taxpayer dollars. Your financial aid officer has previously received details on the first stages of this transition and will continue to receive updates as progress toward full Internet usage continues.

Finally, we would also like to remind you of the Notice that we published in the Federal Register on September 19, 1997, informing you of the technical specifications necessary to participate in future designated electronic processes. For example, to be compatible with the Department's student aid systems starting January 1, 1999, institutions must be prepared to use Windows 95, Windows NT, or a newer version of the Windows operating system. To assure that your staff understand, and can implement, our electronic processes and other requirements, we strongly encourage you to send appropriate members to one of our three 1998 Electronic Access Conferences (see http://edeworkshop.walcoff.com) and our training activities.

Thank you for your continued cooperation and support as we work together to create an efficient and cost-effective student aid delivery system that provides first-rate services to our students throughout the Nation.

Sincerely,

Diane E. Rogers
Acting Deputy Assistant Secretary
Student Financial Assistance Programs



Resources

★ *The 1999-00 Federal Student Financial Aid Handbook*

★ Information for Financial Aid Professionals (IFAP) Web site:
http://www.ifap.ed.gov

To order ED publications (and the FAFSA) in bulk:

1) **Enter the web site – http://epos.edpubs.org**

2) **Enter your 8-digit OPE ID number**

Note: ***You can also access this site by entering http://ifap.ed.gov, and clicking on the selection down the left side of the screen for Bulk Publication Ordering.***

For assistance, call 1-877-EDPUBS

Answer Key

Checkpoint #1 – What Am I?

1) FSEOG
2) PLUS
3) Federal Perkins Loan Program
4) Pell Grant
5) Federal Subsidized or Unsubsidized Stafford Loans (FFEL)
6) Federal Direct Subsidized or Unsubsidized Loans

Authorization vs. Reauthorization

Authorization: Legislative act that establishes a program, specifies its general purpose and conduct, and (unless open-ended), sets a ceiling for the dollar amount that can be used to finance it.

Reauthorization: A legislative process which occurs every 4 to 5 years that reviews, renews, terminates, or amends existing programs. Reauthorization just occurred in the fall of 1998.

Session 2

Student Eligibility

Questions we will answer during this session:

How do you determine if a student is eligible for Title IV aid?

How do you obtain a student's financial aid history?

Program-Specific Student Eligibility Criteria

Program	Who is Eligible?	Criteria
Federal Pell Grant 690.6 690.75	• Undergraduates only • May not have bachelor's or first professional degree (except for students seeking teacher certification at schools not offering undergraduate degrees in education)	• Students must have a SAR or ISIR on file with the school • Less-than-full-time, including less-than-half-time, students are eligible
FSEOG 676.9	• Undergraduates only • May not have bachelor's or first professional degree	• Must be awarded first to students with exceptional financial need (that is, lowest EFCs) • Priority to students with exceptional financial need who are eligible for Federal Pell Grants
Federal Perkins Loan 674.9	• Undergraduates • Graduate students • Professional students	• Priority to students with exceptional financial need (as defined by the school) • Students must be willing to repay their loans • Must have determination of Federal Pell Grant eligibility • May not be in medical internship or residency
FWS 675.9	• Undergraduates • Graduate students • Professional students	• See comments below for "FSEOG, Federal Perkins Loan, and FWS"
FSEOG,*Federal Perkins Loan, and FWS	• Undergraduates only* • Graduate students • Professional students	• Demonstrate need according to Federal Need Analysis Methodology • Less-than-full-time students are eligible - A "reasonable share" of a school's allocation of campus-based funds must be awarded to less-than-full-time students and nontraditional students
Federal Subsidized Loan and Federal Direct Subsidized Loan 682.201 685.200	• Undergraduates • Graduate students • Professional students • Students enrolled in courses prerequisite to enrollment in a degree or certificate program • Students enrolled in a teacher certification program	• Students must: - Be enrolled at least half time - Demonstrate financial need according to the Federal Need Analysis Methodology • Eligibility for Federal Pell Grants must be determined prior to certifying loan applications and, if eligible, students must apply for Federal Pell Grants
Federal Unsubsidized Loan and Federal Direct Unsubsidized Loan	• See Federal Subsidized Loan and Federal Direct Subsidized Loan	• Students do not have to demonstrate financial need • Student eligibility for Federal Pell Grant and Federal Subsidized or Federal Direct Subsidized must be determined • Students must apply for Federal Subsidized or Federal Direct Subsidized first; EFA includes subsidized loan amount for which students are eligible • Students must be enrolled at least half time
Federal PLUS Loan and Federal Direct PLUS Loan	• Parents of eligible dependent undergraduate students	• Students for whom parents borrow must be eligible, regular students enrolled at least half time • Parents must: - Meet same citizenship requirements as an eligible student - Not be in default on a Title IV loan - Not owe an overpayment on a Title IV grant or loan - Not have an adverse credit history

How do you determine if a student is eligible for Title IV?

General Student Eligibility Checklist

Place a check mark in the box to indicate that the student "passes" that measure of eligibility.

☐ 1. The student has a valid Social Security number. (Question 8 on paper FAFSA; SSA match results on ISIR)

☐ 2. The student is a U.S. citizen or eligible noncitizen. (Questions 14-15 on paper FAFSA; INS match results on ISIR)

☐ 3. The student is a "regular student" enrolled or accepted for enrollment in an "eligible program" for the purpose of obtaining a degree or certificate. (Question 31 on paper FAFSA).

☐ 4. The student meets the academic qualifications for study at the postsecondary level. (Student has a high school diploma or recognized equivalent [such as a GED] or is beyond the age of compulsory school attendance, has passed an ability-to-benefit [ATB] test, or followed a state-prescribed process, such as home schooling.) (Question 33 on paper FAFSA)

☐ 5. The student has NOT been convicted of a drug related offense that affects eligibility for Title IV aid. (Question 28 on paper FAFSA)

☐ 6. The student (if male) has registered with Selective Service. (Questions 29-30 on paper FAFSA).

☐ 7. The student is not enrolled solely in remedial coursework. (Must also be enrolled in courses that are part of an eligible program).

☐ 8. The student is maintaining satisfactory academic progress.

☐ 9. The student is NOT in default and does NOT owe an overpayment on a Title IV loan or grant. (NSLDS history on ISIR or Financial Aid Transcript)

☐ 10. The student has NOT borrowed in excess of loan limits. (NSLDS history on ISIR)

☐ 11. The student is NOT a member of a religious order, and is NOT incarcerated.

☐ 12. If enrolled in a correspondence course, that course is part of an eligible program.

☐ 13. The student has financial need. (Need not required for unsubsidized and PLUS loans)

☐ 14. You have obtained the student's financial aid history from NSLDS or (if necessary) from the schools previously attended by the student.

☐ 15. Verification has been completed (if required).

(All Handbook Highlights from *SFA Handbook: Student Eligibility Reference*)

VALID SOCIAL SECURITY NUMBERS

To be eligible to receive SFA funds, each student must provide a valid Social Security Number (SSN). The Social Security Administration (SSA) and the CPS work together to conduct a match that verifies that the given student's SSN is correct and that the SSN corresponds to the given student's name and birth date.

The following charts outline the general match descriptions.

Social Security Number Match

Result	*Match flag*	*"C" code or rejected application*	*Comment number and text*	*Action needed*
Successful match	4		No comment	None
Date of birth inconsistent with SSA records	2	C code	060 The date of birth you reported on your application is inconsistent with the Social Security Administration's records.	The student may receive payment after providing documentation that explains the discrepancy and showing that the submitted SSN is correct. If the reported birth date was incorrect, the student can also submit a correction; the application will then be rematched, and the school should check for changes to the match results. If the reported date of birth was correct, the student may want to contact SSA to have it correct its records.
Name inconsistent with SSA records	3	C code	061 According to Social Security Administration (SSA) records, the name you reported on your application does not correspond with the social security number you provided in Item 8. You should review Items 1, 2, 3, and 8 on this SAR. If all of these items are correct, you must contact an SSA office to resolve this problem. If you find that any of these items are incorrect, you should make corrections on your SAR where appropriate.	The student may receive payment after providing documentation that explains the discrepancy and showing that the submitted SSN is correct. If the reported name was incorrect, the student should submit a correction to the CPS. The application will then be rematched, and the school should check for changes to the match results. If the reported name is correct, the student may want to contact SSA so it can correct its records.
Match conducted, but no match on SSN (SSN invalid)	1	Reject 18	024 The Social Security Administration (SSA) did not confirm that the social security number you reported on your aid application is valid. If you believe that the number you reported is correct, you must contact an SSA office to resolve this problem. If you determine that the social security number you reported on your aid application is not correct, you should correct your social security number in Item 8 on your SAR or contact your FAA.	If the student's SSN is correct, the student should contact SSA to have it correct its database. Once the database is updated, the student can reenter the SSN and submit the change as a correction. If the SSN is incorrect, the student can correct the SSN on the output document, or file a new FAFSA with the correct SSN (see "Incorrect SSN on application," page 80).

Social Security Number Match (continued)

Result	*Match flag*	*"C" code or rejected application*	*Comment number and text*	*Action needed*
No match because last name or date of birth was missing, but SSN is within valid range	8	Rejects N, 13, and/or 5	059 We could not determine from the Social Security Administration if the social security number you reported belongs to you because you did not give us your last name or date of birth. Correct Items 1 and/or 9 on your SAR.	The student must make corrections to provide the name and date of birth. When the corrections are submitted, the application will be rematched with SSA. The school should check the new output document for the match results.
No match because last name or date of birth was missing, and SSN is not within valid range	8	Reject P and Rejects N, 13, and/or 5	023 It appears that the social security number you reported on your application is not a valid social security number. See your FAA for assistance.	The student must make corrections to provide the name and date of birth. In addition, if the student's SSN is correct, the student should contact SSA to have it correct its database. Once the database is updated, the student can reenter the SSN and submit the change as a correction. If the SSN is incorrect, the student can correct the SSN on the output document, or file a new FAFSA with the correct SSN.
Student tried to change SSN previously confirmed by SSA.	4		013 You tried to change your social security number. The Social Security Administration already verified that this social security number belongs to you. If you need assistance, see your FAA.	If the student used a wrong SSN, but it was confirmed by SSA, the student can only change it by filing a new application, not by making a correction. In certain rare cases, the student may need a correction application (see "Applicants Using Same SSN," page 85).
Match to a deceased person's record on the SSA database.	5	Reject 8	145 According to Social Security Administration (SSA) records, the social security number you provided in Item 8 belongs to a deceased person. If Item 8 is incorrect, you should correct your social security number on your SAR or contact your FAA. If the number in Item 8 is correct, you must contact an SSA office to resolve this problem.	If the student's SSN is correct, the student must contact SSA to have it correct its database. Once the database is updated, the student can reenter the SSN and submit the change as a correction. If the SSN is incorrect, the student can correct the SSN on the output document, or file a new FAFSN with the correct SSN.

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HANDBOOK HIGHLIGHTS

ABILITY-TO-BENEFIT

On December 1, 1995, the Secretary published regulations for approving and administering ATB tests. The regulations took effect July 1, 1996. On October 25, 1996 and October 27, 1998, the Department published the lists of approved tests under these rules in a *Federal Register* notice. See page 19 of the Student Eligibility Reference of the Financial Aid Handbook for a list of approved tests. To be sure that you have a comprehensive up-to-date list, you may call Customer Support at 1-800-433-7327 for information on tests approved after this publication went to print. If it chooses to do so, a school may use more than one of the tests on the list to determine whether an ATB student is eligible to receive SFA program funds.

There are some areas in which there are no "new" approved tests; in these cases schools can still use the old approved tests until 60 days after the Department publishes the name and score of the new test. Specifically, the regulations contain additional provisions for approving tests for students whose native language is not English and who are not fluent in English and for students who have disabilities; no such tests have been approved. In such cases schools should make ATB eligibility determinations based on guidelines stated in the December 30, 1992 *Federal Register* and by using tests approved as of June 30, 1996, and updated October 27, 1998 as well as December 1, 1998. The Department is currently reviewing the nine tests listed in the notices to determine if they can also be used for students with disabilities. If the Department approves the tests for this purpose, a notice will be published in the *Federal Register*. When published, this notice will also be available at http://ifap.ed.gov.

The regulations also specify testing procedures a school must follow. The school should make arrangements with one or more parties to administer the approved tests to students. The regulations require that the test administrator be certified by the test publisher. The school should contact the test publisher to locate a certified test administrator. Certified administrators may come from various occupations. They may include but are not limited to people in these fields:

- high school guidance counselors;
- qualified professional educators;
- regional and area Armed Forces Command staff who are experts in education, training, and human resource development;
- test and measurement experts; and
- human resource development professionals.

An approved test must be independently administered. To be independently administered, the test must be given by an individual or by an organization with no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation other than the interest generated through its agreement to administer the approved test. A test is also considered to be independently administered if it is given at an assessment center.

Home-Schooled Students

As mentioned previously, a certificate of completion of a home-study program is considered the equivalent of a high school diploma if the program is recognized by the student's home state. However, not all states officially recognize home-study programs, so some home-schooled students don't have the equivalent of a high school diploma. Reauthorization added a specific provision for the eligibility of these home-schooled students. As of October 1, 1998, a student without a high school diploma can receive aid if he or she has completed a secondary school education in a home school setting that is treated as a home school or private school under state law. The Department will be providing further information on the implementation of this provision.

HANDBOOK HIGHLIGHTS

Approved Ability-to-Benefit Tests

TEST NAME	*PASSING SCORE*	*PUBLISHER*
American College Testing (ACT): (English and Math)	English (14) and Math (15)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243. Contact: James Maxey, Telephone: (319) 337-1100, Fax: (319) 337-1790
ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2 and C2	Reading (34), Writing (34), and Numerical (33)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243. Contact: John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790.
Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading and Numerical)—Forms A, B, and C	Language Usage (43), Reading (44), and Numerical (42)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243. Contact: John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement	Prealgebra/Numerical (21), Reading (60), and Writing (31)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243. Contact: John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic)	Reading Comprehension (52), Sentence Skills (60), and Arithmetic (36)	The College Board, 45 Columbus Avenue, New York, New York 10023-6992. Contact: Ms. Loretta M. Church, Telephone: (212) 713-8000, Fax: (212) 713-8063
Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT	Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)	The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Loretta M. Church, Telephone: (212) 713-8000, Fax: (212) 713-8063
Test of Adult Basic Education (TABE): (Reading Total, Total Mathematics, Total Language)—Forms 5 and 6, Level A, Complete Battery and Survey Versions	Reading Total (768), Total Mathematics (783), Total Language (714)	CTB/McGraw-Hill, 20 Ryan Ranch Road, Monterey, California 93940-5703, Contact: Ms. Tina Gwaltney, Telephone: (831) 393-7749, Fax: (831) 393-7142
TABE: (Reading, Total Mathematics, Language)—Forms 7 and 8, Level A, Complete Battery and Survey Versions	Reading (559), Total Mathematics (562), Language (545)	CTB/McGraw-Hill, 20 Ryan Ranch Road, Monterey, California 93940-5703, Contact: Ms. Tina Gwaltney, Telephone: (831) 393-7749, Fax: (831) 393-7142
Wonderlic Basic Skills Test (WBST)—Verbal Forms VS-1 & VS-2, Quantitative Forms QS-1 & QS-2	Verbal (200) and Quantitative (210)	Wonderlic Personnel Test, Inc., 1509 N. Milwaukee Ave., Libertyville, IL 60048-1380, Contact: Mr. Victor S. Artese, Telephone: (800) 323-374, Fax: (847) 680-9492

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REGISTRATION WITH SELECTIVE SERVICE

Most males from age 18 through 25—including permanent residents and other eligible noncitizens—are required to register with the Selective Service System. Anyone required to register with Selective Service must have done so in order to receive aid through the SFA Programs. Persons exempted from this requirement include:

1. females;

2. males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty);

3. males who are not yet 18 at the time that they complete their applications (an update is not required during the year, even if a student turns 18 after completing the application);

4. males born before 1960; and

5. citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.

There are certain less common situations in which the registration requirement is waived. Students who are not required to have already registered prior to meeting one of these criteria and who meet one of the criteria for the entire time they are 18 through 25 qualify for the waiver if:

1. they are unable to register due to being hospitalized, incarcerated, or institutionalized;

2. they are enrolled in any officer procurement program at The Citadel, North Georgia College, Norwich University, or Virginia Military Institute;

3. they are commissioned Public Health Service officers on active duty or members of the Reserve of the Public Health Service; or

4. they are commissioned officers of the National Oceanic and Atmospheric Administration.

If the student qualifies for an exemption or waiver, and thus is not required to register, the school must document the student's status. If the student is not clearly exempt from the requirement to register, the school should ask the student to document the exemption by providing the school with a Status Information Letter from the Selective Service.

HANDBOOK HIGHLIGHTS

HANDBOOK HIGHLIGHTS

SATISFACTORY ACADEMIC PROGRESS

A school's satisfactory progress policy for students receiving SFA funds must be at least as strict as the policy used for students who do not receive SFA funds. The policy must be applied consistently to all SFA recipients within identifiable categories of students (such as full-time or part-time, graduate, or undergraduate students). The school's satisfactory progress policy can include whatever standards the school finds acceptable, as long as the policy meets the minimum statutory and regulatory requirements. The school's satisfactory progress policy must include both a qualitative measure (such as the use of cumulative grade point average) and a quantitative measure (such as a maximum time frame for completion) of the student's progress.

The law and regulations specify minimum standards for these two measures. The school may set stricter standards in its policy. For the qualitative standard, the law specifies that by the end of the second academic year (measured as a period of time, not by the student's grade level), the student must, in general, 1) have a C average or its equivalent, or 2) have an academic standing consistent with the requirement for graduation from the program. If a school does not use letter grades, a school's satisfactory progress policy should define "equivalent of a C average." If a school determines that a student has maintained satisfactory progress standards even though his or her average falls below a C average, the school must be able to document that the student's average is consistent with the academic standards required for graduation. Rather than using a single fixed standard throughout the program, a school may use a graduated grade point requirement. For example, a school using a 4-point scale can require students to have a 2.0 average by graduation, but allow the student's average to be lower earlier in the student's academic career. The school may also require that a student earn at least a 2.0 average in order to graduate. If school policy permits progression toward the 2.0 graduation requirement, the school may permit a lower standard at the end of the second academic year.

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he or she attempts after the first year would meet a qualitative standard, but wouldn't be progressing towards graduation. Therefore, the satisfactory progress policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed. To quantify academic progress, a school must set a maximum time frame in which a student is expected to finish a program. For an undergraduate program, the maximum time frame may not exceed 150% of the published length of the program measured in academic years, academic terms, credit hours attempted, or clock hours completed, as appropriate.

HANDBOOK HIGHLIGHTS

To ensure that a student is making sufficient progress throughout the course of study, the school must divide the maximum time frame into **equal** evaluation periods called increments. An increment can't be longer than half the program or one academic year, whichever is less. In other words, for a school's 700-clock-hour program, an increment must not exceed 350 clock hours. For a school's 2,000-clock-hour program, an increment must not exceed 900 clock hours if the school defines the academic year as 900 clock hours. Increments generally are expected to coincide with payment periods.

The school's policy must also state the minimum amount or percentage of work a student must successfully complete by the end of each increment. This amount must be high enough to allow the student to complete the program within the maximum time frame.

The school isn't required to set a fixed number of hours or credits that must be completed in each increment. Instead, the school can require the student to complete a certain percentage of the hours or credits he or she attempts. By setting a percentage rather than a fixed number of hours or credits, the school can easily adjust for differences in enrollment status from student to student or from one year to the next.

At some schools, mainly clock-hour schools, a student is given credit for every hour attended, so that the hours attempted equal the hours earned. In such cases, the quantitative standard must be based on calendar time (in weeks or months).

The quantitative and qualitative standards used to judge academic progress must be cumulative and must include **all** periods of the student's enrollment. Even periods in which the student did not receive SFA funds must be counted. Transfer credit hours must be counted as well, so that transfer students are not given more time than other students to complete the program. A school cannot set a maximum time frame based on hours attempted and then have a policy to routinely exclude certain hours attempted, such as hours taken during a summer session, from its determinations of satisfactory academic progress.

Effect of Loan Status on Student Aid Eligibility

Loan Status	NSLDS Code	Eligible for SFA Funds*
In school, grace period,	DA-Deferred FB-Forbearance ID-In school or grace period RP-In repayment	Yes
Paid	DP-Default, then paid in full PC-Paid in full through consolidation PF-Paid in full	Yes. For consolidation, it does not matter what type of consolidation loan the borrower received, nor whether loan was in default before consolidation.
Lost guarantee	UI-Uninsured, Unreinsured	Yes. It does not matter if the loan was in default.
Canceled or discharged	BC-No default, bankruptcy discharge CA-Canceled DF-Default, false certification discharge DG-Default, false certification (ability to benefit) discharge DI-Disability DJ-Default, discharged by judicial ruling DK-Default, bankruptcy discharge DN-Default, closed school discharge DS-Default, disability cancellation EA-False certification (ability to benefit) discharge EC-Closed school discharge EF-Loan discharged for fraudulent disbursement EJ-Court ordered write-off OD-Default, bankruptcy discharge	Yes. For a borrower who had a disability cancellation to receive new loans, the borrower must have a doctor's certification that his or her condition has improved and sign a statement indicating that he or she is aware that the new loan cannot be canceled on the basis of any present impairment unless the condition deteriorates.
No default, bankruptcy filing	BK-No prior default, active bankruptcy claim	Yes. Loan was not in default and has not been discharged.
Default	DL-Defaulted, in litigation DT-Defaulted, collection terminated DU-Defaulted, unresolved	No
Default, bankruptcy filing	DB-Defaulted, active bankruptcy claim DO-Defaulted, active bankruptcy claim	No, unless debtor can show that loan is dischargeable.
Default, compromise	DC-Defaulted, compromised	Yes. Compromise is recognized as payment in full.
Default, written-off	DW-Defaulted, write-off	No, unless debtor reaffirms loan and makes satisfactory repayment arrangements or repays loan in full.
Default, satisfactory repayment arrangement	DX-Defaulted, satisfactory arrangements, and six consecutive payments	Yes, if borrower continues to comply with repayment plan or is granted forbearance.

*Federal Perkins Loan regulations allow the financial aid administrator to deny eligibility for additional loans if he or she has evidence that the applicant is unwilling to repay the loan.

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How do you obtain a student's financial aid history?

The National Student Loan Data System (NSLDS)

- Contains Title IV information & history
- Contains overpayment information for FSEOG, Pell, and Perkins
- Simplifies Student Status Confirmation Reporting (SSCR)

Rules Surrounding Financial Aid Transcripts

* If you are waiting for a paper FAT, you have the option of making a first disbursement of Pell or campus-based.

  - if you do this, must have proof that you requested the FAT

* Until FAT received, no student loan or PLUS loan disbursements

HANDBOOK HIGHLIGHTS

FINANCIAL AID TRANSCRIPTS

The transcript information must include:

- *the student's name and Social Security Number.*

- *whether the student is in default on an NDSL, or Perkins Loan, or owes a repayment on a Federal Pell Grant, Perkins Loan, or FSEOG at that school.* The school should always be able to tell from its own records if the student is in default or owes a repayment for any of these programs.

- *if known, whether the student owes a repayment on an SSIG or is in default on a FFEL or Direct Loan received at that school.* In many cases, the holder of the debt (the guaranty agency, the state agency, or the Department) will have informed the school if the student is in default or owes a repayment.

- *for the award year in which the transcript is requested, the amount of Perkins funds disbursed.*

- *the total amount of any loans received by the student under the Perkins and NDSL programs at that school.*

- *whether the student had an outstanding balance on an NDSL (either Defense or Direct) from that school on July 1, 1987.* This will affect whether the student may be considered a new borrower in the Perkins Loan Program. New Perkins borrowers are given a nine-month grace period, rather than the six-month NDSL grace period and are eligible for a deferment or cancellation for volunteer service in the Peace Corps.

- *whether the student had an outstanding balance on an NDSL (either Defense or Direct) from that school on October 1, 1992.*

- *the amount and period of each loan made to the student under the FFEL and Direct Loan programs at that school.* This includes PLUS loans taken out by the student's parents on the student's behalf.

- *the student's Scheduled Pell Grant and the amount of Pell Grant funds disbursed to the student for the current award year.* Schools do not have to report information on FSEOG awards with the transcript information because annual FSEOG maximums apply only to the amount that the school may award during an award year, not to how much the student may receive from multiple schools.

When responding to an FAT request, a school is not required to include information about the amount of aid awarded at other schools or the student's default or overpayment status at other schools. However, the school sending the transcript must list these other schools with the transcript information, and the new school must make sure that it has received transcript information from those schools.

Four students have applied for federal financial aid. Each student has a different educational goal and wishes to attend a specific school. Determine each student's eligibility.

Case Study

Student 1—Justin

Justin Case is a 21-year-old student enrolled in Foster Business College (FBC). Justin was born and raised in Guam, and he has spent the past 3 1/2 years working periodically on construction jobs. He now wants to take a six-month, 600-clock-hour course in computerized information management at FBC to obtain a professional certificate.

As Justin never finished high school, he took FBC's ability-to-benefit test (approved by ED) and scored a passing grade of 78. Justin received a Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC). Justin indicates that he is not required to register with the Selective Service, as he is a conscientious objector. Justin was selected for verification, and he has promised the aid administrator that he will bring in the appropriate tax documents once his mother sends them to him.

Justin's Questions:

1. **Am I eligible to receive Title IV financial aid at FBC?**

2. **If not, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid?**

Student 2—Kay C.

Kay C. Fudd is a 17-year-old high school graduate from Springfield, IA , where she was born and raised.

State University, where she plans to attend, informs her that she needs to take a few remedial courses before she can enroll in their program. So, Kay enrolls at Dunn Community College for the summer term to take the remedial courses.

Kay C.'s Questions:

1. **Am I eligible to receive Title IV financial aid at your school, Dunn Community College?**

2. **If not, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid?**

Student 3—Elena

Elena Del Castillo is a self-supporting 25-year-old student who is enrolled at Tower Community College (TCC) for the current award year. She is starting the second year of her occupational therapy course, which is a two-year degree program.

Elena was born in Puerto Rico and graduated from Notre Dame High School in Caguas, Puerto Rico. She attended Hall Technical Institute (HTI) for one year before coming to TCC. According to a written certification from HTI, she did not receive any Title IV aid there.

The financial aid administrator checks Elena's previous spring-semester academic transcript and finds that she has completed 38 credits with a GPA of 2.8, which surpasses the school's satisfactory academic progress standards. Elena's Expected Family Contribution (EFC) is less than the cost of attendance (COA) for her program. She is not eligible for the Federal Pell Grant Program. Elena was not selected for verification.

Elena's Questions:

1. **Am I eligible to receive Title IV financial at TCC?**

2. **If not, which student eligibility criteria did I not meet and what can I do, if anything, to become eligible for Title IV financial aid?**

Student 4—Jacques

Jacques Bertrand is a 27-year-old student enrolled at the World Language Institute (WLI). He is in a conversational English course for 3 credits that he's taking to better communicate with customers in his current job.

Jacques and his family came to the U. S. in 1996 from France. Jacques has received his Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC) and has delivered it to the financial aid administrator. His SAR indicates that the Central Processing System (CPS) did not confirm him to be an eligible noncitizen, and WLI is in the process of further reviewing his citizenship status. His SAR also shows that he was selected for verification, and Jacques delivered all appropriate documents to verify the information reported on his application for financial aid.

Jacques' Questions:

1. **Am I eligible to receive Title IV financial aid at WLI?**

2. **If not, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid?**

Resources

- ★ *The 1999-00 Federal Student Financial Aid Handbook: Student Eligibility*
- ★ 34 CFR Subpart C-Student Eligibility 668.32 – 668.39
- ★ 34 CFR Subpart E-Verification 668.51 – 668.61

Answer Key

Case Study:

Justin

He is NOT eligible because:

#6 – he is not registered with the Selective Service, and

#15 – verification was not yet completed

Kay C

She is NOT eligible because:

#3 – she is not enrolled as a regular student in an eligible program

#7 – she is enrolled solely in a remedial program

Elena

She IS eligible.

Jacques

He is NOT eligible because:

#2 – he has not documented his citizenship status

#3 – he is not enrolled for the purpose of obtaining a degree or certificate

Session 3

FAFSAs and Output Documents

Questions we will answer during this session:

What information is collected on the FAFSA?

What are the different types of FAFSAs and output documents?

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What information is collected on the FAFSA?

Tony comes into your office, FAFSA in hand, confused on how to answer several questions. You meet with your fellow FAAs to help him.

1) Before I get to my questions, I have a question for a friend originally from Japan. She just became a U.S. citizen, although she's been in the United States for a few years. She also has an alien registration number, which she put on last year's FAFSA. Should she still include her alien registration number in number 14? What should she put for number 15?

2) My brother wanted me to ask you something, too. He is hoping his divorce will be complete any day now. He has been separated from his wife for 13 months. He is filing his FAFSA this week. How should he answer number 16?

3) Why do I have to put my parents' educational history in questions 23 and 24? Why does that matter?

4) A friend of mine was arrested for having illegal drugs in his car. Does that mean he doesn't qualify for financial aid in question 28?

Tony's Questions (cont'd)

5) This will be my first year in college, but I did take some college courses as a high school senior this year. What should I put for number 32?

6) I'm not sure if I will need loans or want to do work study this year. I don't want to be tied to anything yet. How should I answer numbers 34 and 35?

7) I haven't filed my tax return yet, but I want to meet all the early financial aid deadlines. Should I still fill out this section? And, if I estimate, what if the information differs when I actually file my taxes?

8) My other friend was on active duty in the Army, but was honorably discharged. How should he answer number 57?

9) My parents are separated. I live with my mom most of the time now. I see my dad on weekends and some holidays. He sends my mom a lot of money every month to support us, though. He also told me to tell you that he claims me as a dependent on his tax return. Whose tax information should be included in Step Four?

Tony's Questions (cont'd)

10) My friend, Tina, has a mean stepmom. She told Tina she won't supply any of her tax information for Tina's FAFSA. Tina can get her dad's information. Will this be sufficient for Tina to get financial aid?

11) What about my other friend, Sam? His parents travel all the time, so Sam lives with his grandparents. Should he put his grandparents' data in Step Four? Why or why not?

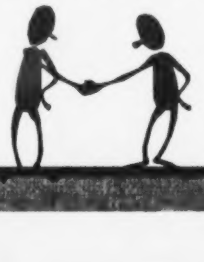
12) Let's return to Step Two for a minute. The parents of my other friend, Howie, died two years ago. He lives with his aunt. Should the amount she spends on Howie's food and shelter count as part of Howie's income on the FAFSA? His aunt also makes his monthly car payment, which is a debt in his name. Should that count as Howie's income? Why or why not?

13) For number 65, my sister lives on her own, but my mom pays for everything – food, clothes, you name it. Should my mom count her as part of our household size?

14) If I decided to move in with my girlfriend, and she pays all my living expenses, would she include me as part of her household size on her FAFSA?

15) I'm not sure which school I want to attend, and I don't know which college to list first in Step Six? What do you suggest?

16) You answered so many questions. Should you fill out the preparer's section in Step Seven?



WORKSHEET FOR QUESTION 28

DO NOT SUBMIT THIS WORKSHEET. KEEP IT FOR YOUR RECORDS. You should complete and submit your FAFSA even if you are not eligible for federal student aid. You may be eligible for financial aid from other sources.

This worksheet helps you determine whether you answer question 28 on the FAFSA with a **1, 2, or 3. You can have only one answer.** Do not count convictions for which you were treated as a juvenile or which have been removed from your record. If you have been convicted of both possessing and selling illegal drugs do not use this worksheet. Please call 1-800-4FED-AID for assistance in completing question 28 on the FAFSA.

"1" Means you may be eligible to receive federal student financial aid for the 2000-2001 award year.

"2" Means you may become eligible for federal student financial aid during the 2000-2001 award year. You may become eligible earlier in the award year by completing an acceptable drug rehabilitation program.

"3" Means you are not eligible for federal student financial aid for the 2000-2001 award year unless you complete an acceptable drug rehabilitation program.

Note: An acceptable drug rehabilitation program must include at least 2 unannounced drug tests; ***and***

- *be qualified to receive funds from a federal, state or local government or from a federally- or state-licensed insurance company;* ***or***
- *be administered or recognized by a federal, state or local government agency or court, or a federally- or state-licensed hospital, health clinic or medical doctor.*

①

Enter "1" for question 28 on the FAFSA if you have:

- never been convicted for possessing or selling illegal drugs; **or**
- completed an acceptable drug rehabilitation program since your last conviction; **or**
- had all convictions for selling or possessing illegal drugs removed from your record; **or**
- been treated as a juvenile for all convictions; **or**
- no more than one conviction, before July 1, 1998, for selling illegal drugs; **or**
- no more than one conviction, before July 1, 1999, for possessing illegal drugs; **or**
- no more than two convictions, before July 1, 1998, for possessing illegal drugs.

If you enter "1" for question 28 on the FAFSA, you do not need to answer any other questions on this page.

②

Enter "2" if any of the following apply to you. This information pertains to the date of your most recent conviction(s).

- **Possession of Illegal Drugs:**

  Only one conviction: Did your conviction occur on or after July 1, 1999 and on or before June 30, 2000? (You may become eligible one year from the conviction date.)

  Only two convictions: Did your second conviction occur on or after July 1, 1998 and on or before June 30, 1999? (You may become eligible two years from the second conviction date.)

- **Sale of Illegal Drugs:**

  Only one conviction: Did your conviction occur on or after July 1, 1998 and on or before June 30, 1999? (You may become eligible two years from the conviction date.)

If you enter "2" for question 28 on the FAFSA, you do not need to answer any other questions on this page.

③

Enter "3" for question 28 on the FAFSA if any of the following apply:

- You have more than 2 convictions for possessing illegal drugs.
- You have more than 1 conviction for selling illegal drugs.
- You have 1 or 2 convictions for possessing illegal drugs, or you have 1 conviction for selling illegal drugs, but the date(s) of your conviction does not fall within the ranges described for "1" or "2".

If you become eligible for federal student financial aid by completing an acceptable drug rehabilitation program or your eligibility date arrives, you should contact your school's financial aid office. If you are convicted of possessing or selling drugs after you submit your FAFSA, you must notify your financial aid administrator immediately. You will lose eligibility and be required to pay back all aid received after conviction. You can call 1-800-4FED-AID if you have any questions.

What are the different types of FAFSAs and output documents?

Application Processing

Paper FAFSA	FAFSA Express/ FAFSA on the Web	EDExpress
How is it completed and submitted?		
The student: • completes the paper FAFSA; and • mails it in for processing	**The student:** • completes the application on a computer; • sends it to the CPS electronically; and • prints, signs, and mails the signature page (unless an independent student is using a Renewal FAFSA on the Web or has obtained a PIN for signature)	**The student:** • completes the paper FAFSA. **The school official:** • enters the data electronically; • sends it to the CPS online; and • files the signed paper FAFSA.
What are the output documents?		
The student receives a SAR and a 4-digit PIN; the school receives an ISIR.	The student receives a SAR and a 4-digit PIN; the school receives an ISIR.	The student receives a SAR Information Acknowledgment and a 4-digit PIN; the school receives an ISIR.
How are changes made to the output documents?		
The student: • writes corrections on Part 2 of the SAR and mails it in for processing; or • takes corrections to the school for electronic processing; or • makes corrections from website	**The student:** • writes corrections on Part 2 of the SAR and mails it in for processing; or • takes corrections to the school for electronic processing; or • makes corrections from website	**The student:** • requests a paper SAR, corrects Part 2, and mails it in; or • takes corrections to the school for electronic processing; or • makes corrections from website

Checkpoint #1: Types of FAFSAs

Circle the number of any statement that is false.

1) Students applying for financial aid using EDExpress through the school usually do not have to fill out a paper FAFSA.

2) FAFSA Express can only be completed using a PC. Macintosh users cannot apply through FAFSA Express.

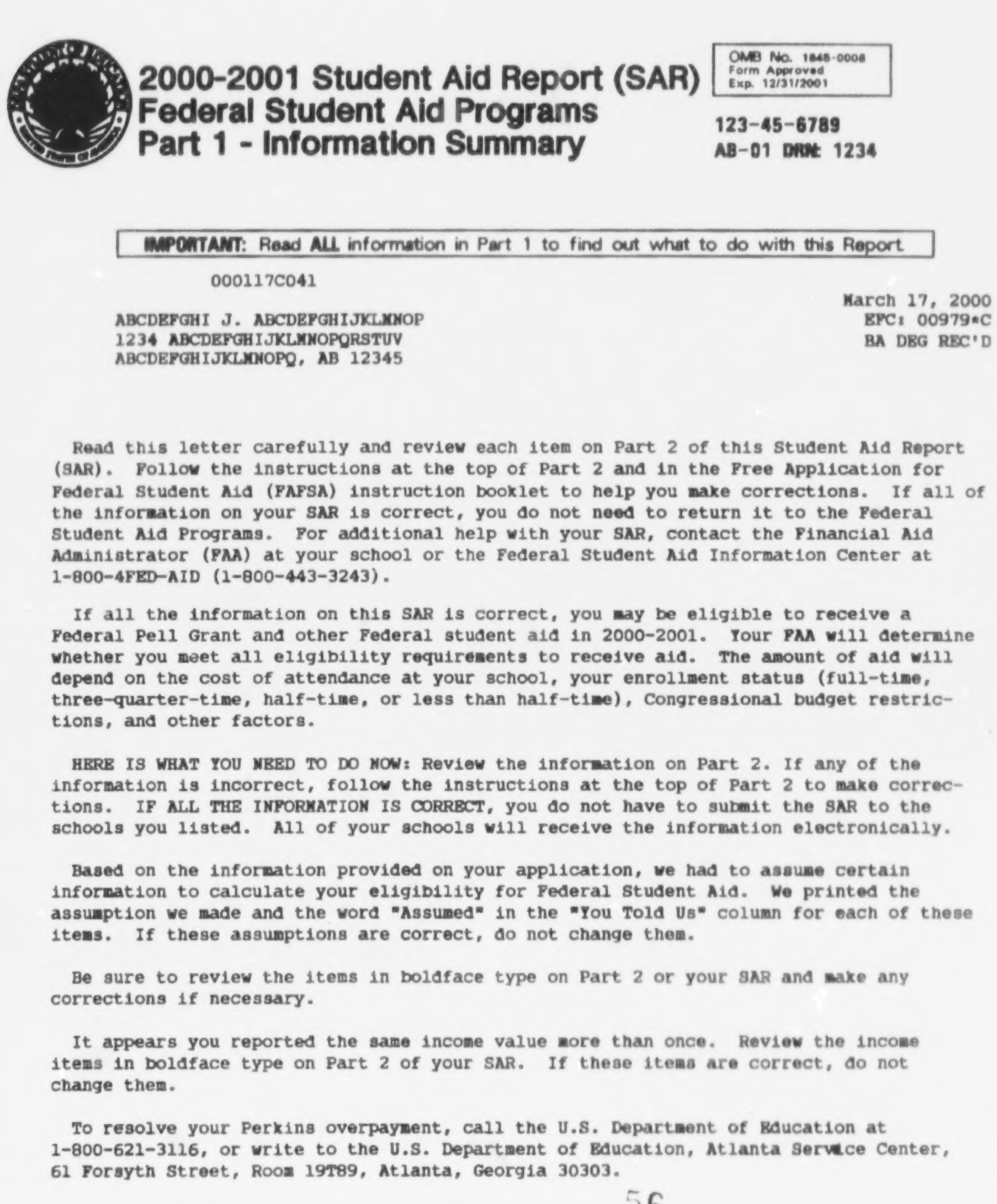
3) Students using FAFSA on the Web should print out, sign, and submit a signature page.

4) Students using FAFSA Express also can complete a Renewal FAFSA using that program.

5) Except for PLUS Loans, a student cannot benefit from any Title IV financial aid without completing a FAFSA on paper, through EDExpress, using FAFSA Express, or using FAFSA on the Web.

6) Dependent students still need to print a signature page for at least one parent to sign when using Renewal FAFSA on the Web.

7) Schools are not required to keep a student's paper FAFSA once they enter and submit the student's data using EDExpress.



2000-2001 Student Aid Report (SAR)
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1845-0008
Form Approved
Exp. 12/31/2001

123-45-6789
AB-01 DRN: 1234

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report

000117C041

ABCDEFGHI J. ABCDEFGHIJKLMNOP
1234 ABCDEFGHIJKLMNOPQRSTUV
ABCDEFGHIJKLMNOPQ, AB 12345

March 17, 2000
EFC: 00979*C
BA DEG REC'D

Read this letter carefully and review each item on Part 2 of this Student Aid Report (SAR). Follow the instructions at the top of Part 2 and in the Free Application for Federal Student Aid (FAFSA) instruction booklet to help you make corrections. If all of the information on your SAR is correct, you do not need to return it to the Federal Student Aid Programs. For additional help with your SAR, contact the Financial Aid Administrator (FAA) at your school or the Federal Student Aid Information Center at 1-800-4FED-AID (1-800-443-3243).

If all the information on this SAR is correct, you may be eligible to receive a Federal Pell Grant and other Federal student aid in 2000-2001. Your FAA will determine whether you meet all eligibility requirements to receive aid. The amount of aid will depend on the cost of attendance at your school, your enrollment status (full-time, three-quarter-time, half-time, or less than half-time), Congressional budget restrictions, and other factors.

HERE IS WHAT YOU NEED TO DO NOW: Review the information on Part 2. If any of the information is incorrect, follow the instructions at the top of Part 2 to make corrections. IF ALL THE INFORMATION IS CORRECT, you do not have to submit the SAR to the schools you listed. All of your schools will receive the information electronically.

Based on the information provided on your application, we had to assume certain information to calculate your eligibility for Federal Student Aid. We printed the assumption we made and the word "Assumed" in the "You Told Us" column for each of these items. If these assumptions are correct, do not change them.

Be sure to review the items in boldface type on Part 2 or your SAR and make any corrections if necessary.

It appears you reported the same income value more than once. Review the income items in boldface type on Part 2 of your SAR. If these items are correct, do not change them.

To resolve your Perkins overpayment, call the U.S. Department of Education at 1-800-621-3116, or write to the U.S. Department of Education, Atlanta Service Center, 61 Forsyth Street, Room 19T89, Atlanta, Georgia 30303.

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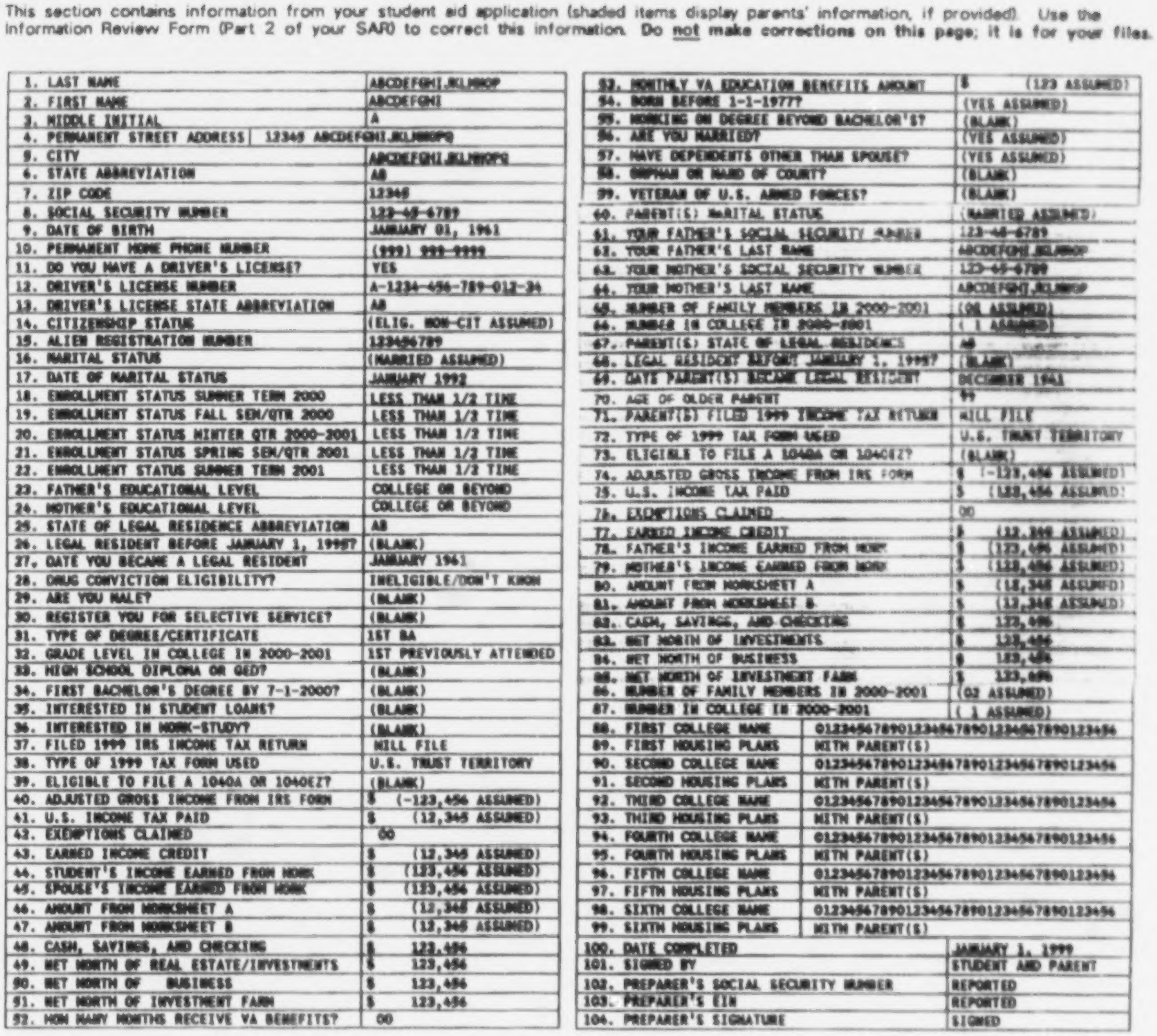

This section contains information from your student aid application (shaded items display parents' information, if provided). Use the Information Review Form (Part 2 of your SAR) to correct this information. Do not make corrections on this page; it is for your files.

1. LAST NAME	ABCDEFGHIJKLMNOP
2. FIRST NAME	ABCDEFGHI
3. MIDDLE INITIAL	A
4. PERMANENT STREET ADDRESS	12345 ABCDEFGHIJKLMNOPQ
5. CITY	ABCDEFGHIJKLMNOPQ
6. STATE ABBREVIATION	AB
7. ZIP CODE	12345
8. SOCIAL SECURITY NUMBER	123-45-6789
9. DATE OF BIRTH	JANUARY 01, 1961
10. PERMANENT HOME PHONE NUMBER	(999) 999-9999
11. DO YOU HAVE A DRIVER'S LICENSE?	YES
12. DRIVER'S LICENSE NUMBER	A-1234-456-789-012-34
13. DRIVER'S LICENSE STATE ABBREVIATION	AB
14. CITIZENSHIP STATUS	(ELIG. NON-CIT ASSUMED)
15. ALIEN REGISTRATION NUMBER	123456789
16. MARITAL STATUS	(MARRIED ASSUMED)
17. DATE OF MARITAL STATUS	JANUARY 1992
18. ENROLLMENT STATUS SUMMER TERM 2000	LESS THAN 1/2 TIME
19. ENROLLMENT STATUS FALL SEM/QTR 2000	LESS THAN 1/2 TIME
20. ENROLLMENT STATUS WINTER QTR 2000-2001	LESS THAN 1/2 TIME
21. ENROLLMENT STATUS SPRING SEM/QTR 2001	LESS THAN 1/2 TIME
22. ENROLLMENT STATUS SUMMER TERM 2001	LESS THAN 1/2 TIME
23. FATHER'S EDUCATIONAL LEVEL	COLLEGE OR BEYOND
24. MOTHER'S EDUCATIONAL LEVEL	COLLEGE OR BEYOND
25. STATE OF LEGAL RESIDENCE ABBREVIATION	AB
26. LEGAL RESIDENT BEFORE JANUARY 1, 1995?	(BLANK)
27. DATE YOU BECAME A LEGAL RESIDENT	JANUARY 1961
28. DRUG CONVICTION ELIGIBILITY?	INELIGIBLE/DON'T KNOW
29. ARE YOU MALE?	(BLANK)
30. REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
31. TYPE OF DEGREE/CERTIFICATE	1ST BA
32. GRADE LEVEL IN COLLEGE IN 2000-2001	1ST PREVIOUSLY ATTENDED
33. HIGH SCHOOL DIPLOMA OR GED?	(BLANK)
34. FIRST BACHELOR'S DEGREE BY 7-1-2000?	(BLANK)
35. INTERESTED IN STUDENT LOANS?	(BLANK)
36. INTERESTED IN WORK-STUDY?	(BLANK)
37. FILED 1999 IRS INCOME TAX RETURN	WILL FILE
38. TYPE OF 1999 TAX FORM USED	U.S. TRUST TERRITORY
39. ELIGIBLE TO FILE A 1040A OR 1040EZ?	(BLANK)
40. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
41. U.S. INCOME TAX PAID	$ (12,345 ASSUMED)
42. EXEMPTIONS CLAIMED	00
43. EARNED INCOME CREDIT	$ (12,345 ASSUMED)
44. STUDENT'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
45. SPOUSE'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
46. AMOUNT FROM WORKSHEET A	$ (12,345 ASSUMED)
47. AMOUNT FROM WORKSHEET B	$ (12,345 ASSUMED)
48. CASH, SAVINGS, AND CHECKING	$ 123,456
49. NET WORTH OF REAL ESTATE/INVESTMENTS	$ 123,456
50. NET WORTH OF BUSINESS	$ 123,456
51. NET WORTH OF INVESTMENT FARM	$ 123,456
52. HOW MANY MONTHS RECEIVE VA BENEFITS?	00

53. MONTHLY VA EDUCATION BENEFITS AMOUNT	$ (123 ASSUMED)
54. BORN BEFORE 1-1-1977?	(YES ASSUMED)
55. WORKING ON DEGREE BEYOND BACHELOR'S?	(BLANK)
56. ARE YOU MARRIED?	(YES ASSUMED)
57. HAVE DEPENDENTS OTHER THAN SPOUSE?	(YES ASSUMED)
58. ORPHAN OR WARD OF COURT?	(BLANK)
59. VETERAN OF U.S. ARMED FORCES?	(BLANK)
60. PARENT(S) MARITAL STATUS	(MARRIED ASSUMED)
61. YOUR FATHER'S SOCIAL SECURITY NUMBER	123-45-6789
62. YOUR FATHER'S LAST NAME	ABCDEFGHIJKLMNOP
63. YOUR MOTHER'S SOCIAL SECURITY NUMBER	123-45-6789
64. YOUR MOTHER'S LAST NAME	ABCDEFGHIJKLMNOP
65. NUMBER OF FAMILY MEMBERS IN 2000-2001	(06 ASSUMED)
66. NUMBER IN COLLEGE IN 2000-2001	(1 ASSUMED)
67. PARENT(S) STATE OF LEGAL RESIDENCE	AB
68. LEGAL RESIDENT BEFORE JANUARY 1, 1995?	(BLANK)
69. DATE PARENT(S) BECAME LEGAL RESIDENT	DECEMBER 1961
70. AGE OF OLDER PARENT	99
71. PARENT(S) FILED 1999 INCOME TAX RETURN	WILL FILE
72. TYPE OF 1999 TAX FORM USED	U.S. TRUST TERRITORY
73. ELIGIBLE TO FILE A 1040A OR 1040EZ?	(BLANK)
74. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
75. U.S. INCOME TAX PAID	$ (123,456 ASSUMED)
76. EXEMPTIONS CLAIMED	00
77. EARNED INCOME CREDIT	$ (12,345 ASSUMED)
78. FATHER'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
79. MOTHER'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
80. AMOUNT FROM WORKSHEET A	$ (12,345 ASSUMED)
81. AMOUNT FROM WORKSHEET B	$ (12,345 ASSUMED)
82. CASH, SAVINGS, AND CHECKING	$ 123,456
83. NET WORTH OF INVESTMENTS	$ 123,456
84. NET WORTH OF BUSINESS	$ 123,456
85. NET WORTH OF INVESTMENT FARM	$ 123,456
86. NUMBER OF FAMILY MEMBERS IN 2000-2001	(02 ASSUMED)
87. NUMBER IN COLLEGE IN 2000-2001	(1 ASSUMED)
88. FIRST COLLEGE NAME	0123456789012345678901234567890123456
89. FIRST HOUSING PLANS	WITH PARENT(S)
90. SECOND COLLEGE NAME	0123456789012345678901234567890123456
91. SECOND HOUSING PLANS	WITH PARENT(S)
92. THIRD COLLEGE NAME	0123456789012345678901234567890123456
93. THIRD HOUSING PLANS	WITH PARENT(S)
94. FOURTH COLLEGE NAME	0123456789012345678901234567890123456
95. FOURTH HOUSING PLANS	WITH PARENT(S)
96. FIFTH COLLEGE NAME	0123456789012345678901234567890123456
97. FIFTH HOUSING PLANS	WITH PARENT(S)
98. SIXTH COLLEGE NAME	0123456789012345678901234567890123456
99. SIXTH HOUSING PLANS	WITH PARENT(S)
100. DATE COMPLETED	JANUARY 1, 1999
101. SIGNED BY	STUDENT AND PARENT
102. PREPARER'S SOCIAL SECURITY NUMBER	REPORTED
103. PREPARER'S EIN	REPORTED
104. PREPARER'S SIGNATURE	SIGNED

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2000-2001 Student Aid Report (SAR)
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1845-0008
Form Approved
Exp. 12/31/2001

123-45-6789
AB-01 DRN: 1234

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report.

FOR FAA USE ONLY

This information will be used by your Financial Aid Administrator to determine your eligibilty for student aid.

```
Agency Source: x            Duplicate Copy:  x          FAA Adjustment: x
Record Source Code: x       SysGen: x                   Reject Reasons: 01 02 03 04 05 06 07
Record Type: x              Dependency Override:        Application Receipt Date  mm/dd/ccyy
Verification Flag: x        Special Handling: x         Transaction Receipt Date: mm/dd/ccyy
Model: x                    Early Analysis Flag:  x     Subsequent Application Flag: mm/dd/ccyy
                                                        Reprocessing Code: 99
MONTHS:           1     2     3     4     5     6     7     8     9     10    11    12
PRIMARY EFC:    00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000
SECONDARY EFC:  00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000
INTERMEDIATE COMPUTE VALUES:
   TI: 999999999     ATI: 999999999      STX: 999999999      EA:   999999999     STI:   999999999
  IPA: 999999999      AI: 999999999      CAI: 999999999     DNW:   999999999     FTI:   999999999
  APA: 999999999     PCA: 999999999      AAI: 999999999     TPC:   999999999
  TSC: 999999999      PC: 999999999      SIC: 999999999     SCA:   999999999
Auto Zero EFC Flag: x      SNT Flag: x   Pell Eligible Flag: x
MATCH FLAGS:
 SSN Match Flag: x        Selective Service Registration Flag: x     Selective Service Match: x
 INS Match Flag: x        INS Verification #: 999999999999999        SSA Citizenship Code:   x
 NSLDS Match Flag: x      NSLDS Results Flag: x                      NSLDS Transaction Number: 01
 VA Match Flag: x         PRIS Match Flag: X
COMMENTS: 001 002 003 004 005 006 007 008 009 010 011 012 013 014 015 016 017 018 019 020
```

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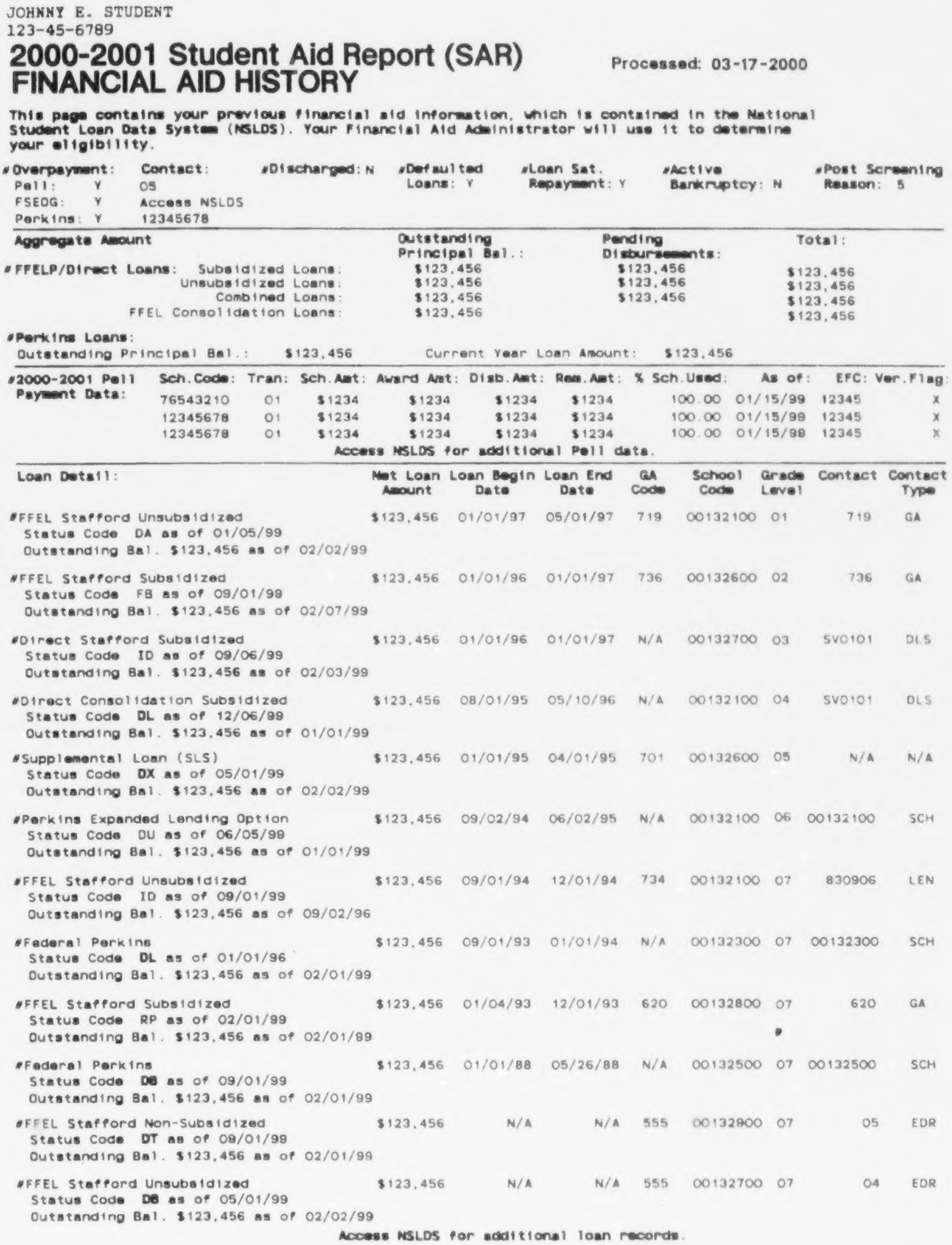

JOHNNY E. STUDENT
123-45-6789

2000-2001 Student Aid Report (SAR) FINANCIAL AID HISTORY

Processed: 03-17-2000

This page contains your previous financial aid information, which is contained in the National Student Loan Data System (NSLDS). Your Financial Aid Administrator will use it to determine your eligibility.

#Overpayment:		Contact:	#Discharged: N	#Defaulted Loans: Y	#Loan Sat. Repayment: Y	#Active Bankruptcy: N	#Post Screening Reason: 5
Pell:	Y	05					
FSEOG:	Y	Access NSLDS					
Perkins:	Y	12345678					

Aggregate Amount		Outstanding Principal Bal.:	Pending Disbursements:	Total:
#FFELP/Direct Loans:	Subsidized Loans:	$123,456	$123,456	$123,456
	Unsubsidized Loans:	$123,456	$123,456	$123,456
	Combined Loans:	$123,456	$123,456	$123,456
	FFEL Consolidation Loans:	$123,456		$123,456

#Perkins Loans:
Outstanding Principal Bal.: $123,456 Current Year Loan Amount: $123,456

#2000-2001 Pell Payment Data:	Sch.Code:	Tran:	Sch.Amt:	Award Amt:	Disb.Amt:	Rem.Amt:	% Sch.Used:	As of:	EFC:	Ver.Flag:
	76543210	01	$1234	$1234	$1234	$1234	100.00	01/15/99	12345	X
	12345678	01	$1234	$1234	$1234	$1234	100.00	01/15/98	12345	X
	12345678	01	$1234	$1234	$1234	$1234	100.00	01/15/98	12345	X

Access NSLDS for additional Pell data.

Loan Detail:	Net Loan Amount	Loan Begin Date	Loan End Date	GA Code	School Code	Grade Level	Contact	Contact Type
#FFEL Stafford Unsubsidized Status Code DA as of 01/05/99 Outstanding Bal. $123,456 as of 02/02/99	$123,456	01/01/97	05/01/97	719	00132100	01	719	GA
#FFEL Stafford Subsidized Status Code FB as of 09/01/99 Outstanding Bal. $123,456 as of 02/07/99	$123,456	01/01/96	01/01/97	736	00132600	02	736	GA
#Direct Stafford Subsidized Status Code ID as of 09/06/99 Outstanding Bal. $123,456 as of 02/03/99	$123,456	01/01/96	01/01/97	N/A	00132700	03	SV0101	DLS
#Direct Consolidation Subsidized Status Code DL as of 12/06/99 Outstanding Bal. $123,456 as of 01/01/99	$123,456	08/01/95	05/10/96	N/A	00132100	04	SV0101	DLS
#Supplemental Loan (SLS) Status Code DX as of 05/01/99 Outstanding Bal. $123,456 as of 02/02/99	$123,456	01/01/95	04/01/95	701	00132600	05	N/A	N/A
#Perkins Expanded Lending Option Status Code DU as of 06/05/99 Outstanding Bal. $123,456 as of 01/01/99	$123,456	09/02/94	06/02/95	N/A	00132100	06	00132100	SCH
#FFEL Stafford Unsubsidized Status Code ID as of 09/01/99 Outstanding Bal. $123,456 as of 09/02/96	$123,456	09/01/94	12/01/94	734	00132100	07	830906	LEN
#Federal Perkins Status Code DL as of 01/01/96 Outstanding Bal. $123,456 as of 02/01/99	$123,456	09/01/93	01/01/94	N/A	00132300	07	00132300	SCH
#FFEL Stafford Subsidized Status Code RP as of 02/01/99 Outstanding Bal. $123,456 as of 02/01/89	$123,456	01/04/93	12/01/93	620	00132800	07	620	GA
#Federal Perkins Status Code DB as of 09/01/99 Outstanding Bal. $123,456 as of 02/01/99	$123,456	01/01/88	05/26/88	N/A	00132500	07	00132500	SCH
#FFEL Stafford Non-Subsidized Status Code DT as of 09/01/98 Outstanding Bal. $123,456 as of 02/01/99	$123,456	N/A	N/A	555	00132800	07	05	EDR
#FFEL Stafford Unsubsidized Status Code DB as of 05/01/99 Outstanding Bal. $123,456 as of 02/02/99	$123,456	N/A	N/A	555	00132700	07	04	EDR

Access NSLDS for additional loan records.

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2000-2001 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1845-0008
Form Approved
EXP. 12/31/2001

Processed: 03-21-2000
EFC: 99999*C
BA DEG REC'D

- Pay special attention to any items in **BOLDFACE TYPE**; they may need to be corrected.
- To correct any item, print the correct answer in the boxes to the right of the item in question.
- To delete a preprinted answer in the "YOU TOLD US" column, draw a line completely through the previous answer and through the answer boxes or ovals to the right of the item.
- Use the code information on the Instructions and Codes page if you need to correct items 28 and/or 31.
- If you make corrections, sign and send BOTH pages of Part 2 to the address on the last page of Part 2.
- Do not attach tax returns or other documents.
- If an answer is zero, write in "0".
- Report dollar amounts (such as $12,356.00) like this: **SAMPLE** ➡ $ 12,356 (no cents)
- If you need to correct an item that contains an oval ○, completely fill in the oval as follows: ●
  Do not ⊗ or ✓ ovals. Erase or white-out mistakes completely.
- Print corrections neatly in answer boxes: **SAMPLE** ➡ 15 ELM ST

123-45-6789
ST-01 DRN: 1234

Step One: YOU (THE STUDENT)

YOU TOLD US	WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY.
1. Last Name STUDENT	
2. First Name JOHNNY	3. Middle Initial E.
4. Permanent Street Address 123 SOUTH MAIN STREET	
5. City NORTH LIBERTY	
6. State Abbreviation IA	7. ZIP Code 52317
8. Social Security Number 123-45-6789	- -
9. Date of Birth AUGUST 03, 1963	/ / 19 Use MM/DD/CCYY format (e.g., 05/01/1980)
10. Permanent Home Phone Number (319) 555-1234	-
11. Do you have a Driver's License? YES	Yes ○ 1 No ○ 2
12. Driver's License Number ST17963-IA-000123008	
13. Driver's License State Abbreviation IA	
14. Citizenship Status (BLANK) (EILG. NON-CIT. ASSUMED)	U.S. Citizen ○ 1 Eligible Non-Citizen ○ 2 Neither ○ 3
15. Alien Registration Number (BLANK)	A
16. Marital Status (BLANK) (MARRIED ASSUMED)	Single, Divorced or Widowed ○ 1 Married ○ 2 Separated ○ 3
17. Date of Marital Status OCTOBER 1997	/ Use MM/CCYY format (e.g., 05/1996)

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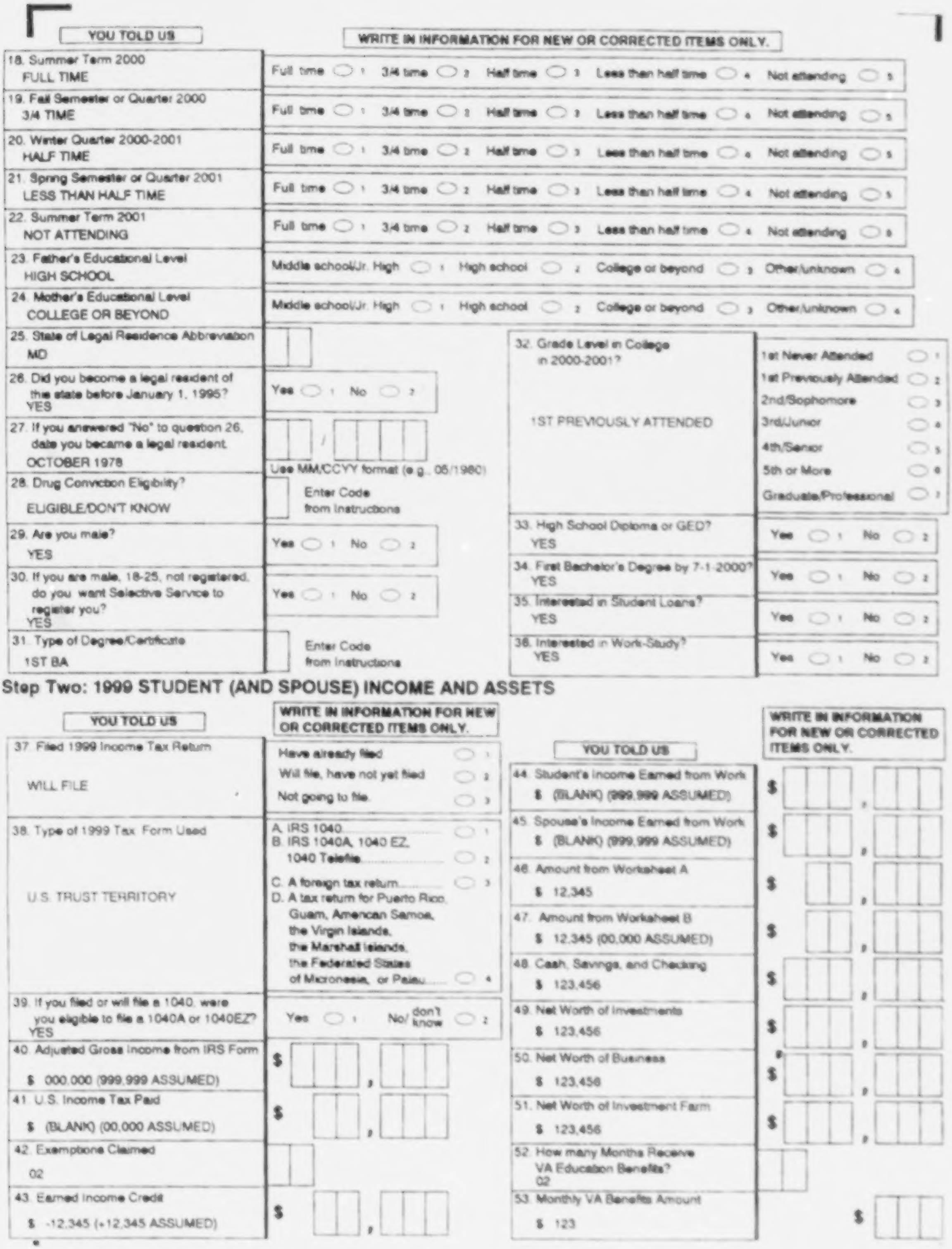

YOU TOLD US	WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY.
18. Summer Term 2000 FULL TIME	Full time ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
19. Fall Semester or Quarter 2000 3/4 TIME	Full time ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
20. Winter Quarter 2000-2001 HALF TIME	Full time ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
21. Spring Semester or Quarter 2001 LESS THAN HALF TIME	Full time ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
22. Summer Term 2001 NOT ATTENDING	Full time ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
23. Father's Educational Level HIGH SCHOOL	Middle school/Jr. High ○ 1 High school ○ 2 College or beyond ○ 3 Other/unknown ○ 4
24. Mother's Educational Level COLLEGE OR BEYOND	Middle school/Jr. High ○ 1 High school ○ 2 College or beyond ○ 3 Other/unknown ○ 4
25. State of Legal Residence Abbreviation MD	☐☐
26. Did you become a legal resident of this state before January 1, 1995? YES	Yes ○ 1 No ○ 2
27. If you answered "No" to question 26, date you became a legal resident. OCTOBER 1978	☐☐ / ☐☐☐☐ Use MM/CCYY format (e.g., 05/1980)
28. Drug Conviction Eligibility? ELIGIBLE/DON'T KNOW	☐ Enter Code from Instructions
29. Are you male? YES	Yes ○ 1 No ○ 2
30. If you are male, 18-25, not registered, do you want Selective Service to register you? YES	Yes ○ 1 No ○ 2
31. Type of Degree/Certificate 1ST BA	☐ Enter Code from Instructions

32. Grade Level in College in 2000-2001? 1ST PREVIOUSLY ATTENDED	1st Never Attended ○ 1 1st Previously Attended ○ 2 2nd/Sophomore ○ 3 3rd/Junior ○ 4 4th/Senior ○ 5 5th or More ○ 6 Graduate/Professional ○ 7
33. High School Diploma or GED? YES	Yes ○ 1 No ○ 2
34. First Bachelor's Degree by 7-1-2000? YES	Yes ○ 1 No ○ 2
35. Interested in Student Loans? YES	Yes ○ 1 No ○ 2
36. Interested in Work-Study? YES	Yes ○ 1 No ○ 2

Step Two: 1999 STUDENT (AND SPOUSE) INCOME AND ASSETS

YOU TOLD US	WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY.
37. Filed 1999 Income Tax Return WILL FILE	Have already filed ○ 1 Will file, have not yet filed ○ 2 Not going to file. ○ 3
38. Type of 1999 Tax Form Used U.S. TRUST TERRITORY	A. IRS 1040 ○ 1 B. IRS 1040A, 1040 EZ, 1040 Telefile ○ 2 C. A foreign tax return ○ 3 D. A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau ○ 4
39. If you filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? YES	Yes ○ 1 No/ don't know ○ 2
40. Adjusted Gross Income from IRS Form $ 000,000 (999,999 ASSUMED)	$ ☐☐☐,☐☐☐
41. U.S. Income Tax Paid $ (BLANK) (00,000 ASSUMED)	$ ☐☐,☐☐☐
42. Exemptions Claimed 02	☐☐
43. Earned Income Credit $ -12,345 (+12,345 ASSUMED)	$ ☐☐,☐☐☐

YOU TOLD US	WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY.
44. Student's Income Earned from Work $ (BLANK) (999,999 ASSUMED)	$ ☐☐☐,☐☐☐
45. Spouse's Income Earned from Work $ (BLANK) (999,999 ASSUMED)	$ ☐☐☐,☐☐☐
46. Amount from Worksheet A $ 12,345	$ ☐☐,☐☐☐
47. Amount from Worksheet B $ 12,345 (00,000 ASSUMED)	$ ☐☐,☐☐☐
48. Cash, Savings, and Checking $ 123,456	$ ☐☐☐,☐☐☐
49. Net Worth of Investments $ 123,456	$ ☐☐☐,☐☐☐
50. Net Worth of Business $ 123,456	$ ☐☐☐,☐☐☐
51. Net Worth of Investment Farm $ 123,456	$ ☐☐☐,☐☐☐
52. How many Months Receive VA Education Benefits? 02	☐☐
53. Monthly VA Benefits Amount $ 123	$ ☐☐☐

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DRN: 1234

Step Three: STUDENT STATUS

YOU TOLD US	WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY.
54. Born Before 1-1-1977? NO (YES ASSUMED)	Yes ○ 1 No ○ 2
55. Working on a degree beyond a bachelor's degree in 2000-2001? NO	Yes ○ 1 No ○ 2
56. Are You Married? (BLANK) (MARRIED ASSUMED)	Yes ○ 1 No ○ 2
57. Have Dependents Other Than Spouse? (BLANK) (12 ASSUMED)	Yes ○ 1 No ○ 2

YOU TOLD US	WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY.
58. Orphan or Ward of Court? NO	Yes ○ 1 No ○ 2
59. Veteran of U.S. Armed Forces? NO	Yes ○ 1 No ○ 2

Step Four: 1999 PARENTAL INFORMATION

60. Parent(s) Marital Status (BLANK) (MARRIED ASSUMED)	Married ○ 1 Single ○ 2 Divorced/Separated ○ 3 Widowed ○ 4
61. Your Father's Social Security Number 123456789	☐☐☐–☐☐–☐☐☐☐
62. Your Father's Last Name FULLLASTNAMETEST	☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
63. Your Mother's Social Security Number 123456789	☐☐☐–☐☐–☐☐☐☐
64. Your Mother's Last Name FULLLASTNAMETEST	☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
65. Parent(s) number of family members in 2000-2001 (BLANK) (12 ASSUMED)	☐☐
66. Parent(s) number of family members in college in 2000-2001 (BLANK) (2 ASSUMED)	☐
67. Parent(s) state of legal residence MD	☐☐
68. Parent(s) legal resident of the state before 1-1-1995? YES	Yes ○ 1 No ○ 2
69. If "No" to question 68, enter the date parent became legal resident. OCTOBER 1996	☐☐ / ☐☐☐☐ Use MM/CCYY format (e.g., 05/1980)
70. Age of older Parent? 55	☐☐
71. Filed 1999 Income Tax Return WILL FILE	Have already filed ○ 1 Will file, have not yet filed ○ 2 Not going to file. ○ 3
72. Type of 1999 Tax Form Used IRS 1040	A. IRS 1040.......... ○ 1 B. IRS 1040A, 1040 EZ, 1040 Telefile.......... ○ 2 C. A foreign tax return.......... ○ 3 D. A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau.... ○ 4
73. If your Parent(s) filed or will file a 1040, were they eligible to file a 1040A or 1040EZ? NO	Yes ○ 1 No/don't know ○ 2

YOU TOLD US	WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY.
74. Adjusted Gross Income from IRS Form $ 123,456	$ ☐☐☐ , ☐☐☐
75. U.S. Income Tax Paid $ 123,456	$ ☐☐☐ , ☐☐☐
76. Exemptions Claimed 02	☐☐
77. Earned Income Credit $ 12,345	$ ☐☐ , ☐☐☐
78. Father's Income Earned from Work $ 123,456	$ ☐☐☐ , ☐☐☐
79. Mother's Income Earned from Work $ 123,456	$ ☐☐☐ , ☐☐☐
80. Amount from Worksheet A $ 12,345	$ ☐☐ , ☐☐☐
81. Amount from Worksheet B $ 12,345	$ ☐☐ , ☐☐☐
82. Cash, Savings, and Checking $ 123,456	$ ☐☐☐ , ☐☐☐
83. Net Worth of Investments $ 123,456	$ ☐☐☐ , ☐☐☐
84. Net Worth of Business $ 123,456	$ ☐☐☐ , ☐☐☐
85. Net Worth of Investment Farm $ 123,456	$ ☐☐☐ , ☐☐☐

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Step Five: STUDENT'S HOUSEHOLD INFORMATION

86. Number of Family Members in 2000-2001 02	87. Number in College in 2000-2001 2

Step Six: STUDENT'S SCHOOL INFORMATION

Housing Plans: 1 – on-campus 3 – with parent(s)
2 – off-campus

YOU TOLD US	NEW/CORRECTED COLLEGE NAME, CITY, STATE	Enter Code From Above
88. First College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		89. Housing Plans WITH PARENT(S)
90. Second College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		91. Housing Plans ON-CAMPUS
92. Third College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		93. Housing Plans OFF-CAMPUS
94. Fourth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		95. Housing Plans (BLANK)
96. Fifth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		97. Housing Plans (BLANK)
98. Sixth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		99. Housing Plans (BLANK)
100. Date Completed FEBRUARY 15, 1998	DO NOT CORRECT	
101. Signed By?	DO NOT CORRECT	
102. Preparer's Social Security Number REPORTED	☐☐☐ - ☐☐ - ☐☐☐☐	
103. Preparer's EIN REPORTED	☐☐ - ☐☐☐☐☐☐☐	
104. Preparer's Signature SIGNED		

Application Receipt Date: 01/15/2000

Step Seven: PLEASE READ, SIGN, AND DATE

IF YOU MADE NO CHANGES

- Do NOT send your SAR to either address given on this page.
- Follow the instructions on Part 1 of your SAR. You may need to contact your school.

IF YOU MADE CHANGES

- Read and Sign the Certification statement to the right
- Send BOTH pages of Part 2 to:

Federal Student Aid Programs
P.O. Box 7020
Lawrence, KS 66044-7020

IF YOU NEED ANOTHER COPY OF YOUR SAR

- Write to:

Federal Student Aid Programs
P.O. Box 7021
Lawrence, KS 66044-7021

- Include your name, social security number, and signature.

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. The proof might include a copy of the 1999 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

Student Signature (sign in box below)

1 Student Date

JOHNNY E. STUDENT

Parent Signature (one parent whose information is provided in Step Four.)

2 Parent Date

School Use Only

Professional Judgment D/O 1 ○ 2 ○ FAA Adjustment ○ 1

Federal School Code ☐☐☐☐☐☐

FAA Signature

MDE Use Only

DE ☐ Special Handle ☐ ☐☐☐☐☐☐☐☐☐

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2000 – 2001 SAR
INSTRUCTIONS AND CODES

HELPFUL HINTS:

Use the following checklist to ensure you've done everything necessary in order to apply for federal student aid.

☐ Read all the comments on Part 1 of your SAR. This will help you to correct any information we had questions about when we processed your financial aid application.

☐ Review ALL the items on Part 2 of your SAR to make sure that the information is correct. Follow the instructions at the top of Part 2.

☐ If you need to make corrections or respond to boldface items, contact your financial aid office to determine if your school can submit these corrections electronically. You may also submit your corrections, or make changes to your address or school through the Department of Education's web page (http://www.fafsa.ed.gov). You must use your PIN (formerly EAC) to access your record online.

☐ If you've made any corrections on this SAR that need to be processed, you (and your parent, if necessary) must sign the certifications located on the last page of this SAR and return your SAR to Federal Student Aid Programs, P.O. Box 7020, Lawrence, KS 66044-7020. Keep a copy of your SAR for your records.

☐ If you believe we entered your data incorrectly and you want us to make the changes for you over the phone, contact the Federal Student Aid Information Center on 1-800-4FED-AID (1-800-433-3243). The information specialist will determine if we made a data entry error. If so, the specialist may be able to correct your data over the phone.

☐ If you (and your family) have unusual circumstances, such as tuition expenses at an elementary or secondary school, unusual medical or dental expenses not covered by insurance, a family member who recently became unemployed, or changes in income or assets that affect your eligibility for financial aid, contact your financial aid office.

☐ Do not send any documentation (including tax forms) to the address next to your signature. This documentation will be discarded. If your financial aid administrator (FAA) requests documentation, send it directly to the financial aid office.

☐ If you only need to change your address or change the schools you have listed, you can make these changes over the telephone by calling 1-800-4FED-AID (1-800-433-3243) / TTY 1-800-730-8913. Only you (the applicant) can make this request and you must have the Data Release Number (DRN) that is printed on Part 1 and Part 2 of your SAR when you call.

CODES FOR QUESTION 28: DRUG CONVICTION ELIGIBILITY

1	Eligible
2	Part-year eligibility
3	Ineligible/don't know

WARNING: If you are convicted of drug distribution or possession, your eligibility for Title IV student financial aid is subject to suspension or termination.

NEED HELP?

If you do not know how to answer a question, want further assistance correcting your SAR, want to know the status of the submission of your application, need general information concerning student financial aid, or do not understand what to do next, you have several options:

- ➢ Refer to the instructions that came with your application;
- ➢ Call 1-800-4FED-AID (1-800-433-3243); (TTY = 1-800-730-8913);
- ➢ Write to Federal Student Aid Programs, P.O. Box 84, Washington, DC 20044-0084;
- ➢ Contact the financial aid office at the school you plan to attend; or
- ➢ Visit our website at www.ed.gov/finaid.html

ATTENTION: Did you know that you could file your *FAFSA* or *RENEWAL FAFSA on the Web*? When you apply next year, you can file your form electronically by going to:

http://www.fafsa.ed.gov

THE OFFICE OF MANAGEMENT & BUDGET WANTS YOU TO KNOW:

- ↪ According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0008. The time required to complete this information collection is estimated to be an average of 15 to 30 minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collected. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to: Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044.

- ↪ By answering questions 88 through 99, and signing the Free Application for Federal Student Aid, you gave permission to the U.S. Department of Education to provide information from your application to the college(s) listed in Step 6. You also agreed that such information is deemed to incorporate by reference the certification statement in step 7 of the financial aid application.

CODES FOR QUESTION 31: TYPE OF DEGREE/CERTIFICATE

1	1st Bachelor's degree
2	2nd Bachelor's degree
3	Associate degree (occupational or technical program)
4	Associate degree (general education or transfer program)
5	Certificate or diploma for completing an occupational, technical, or educational program less than two years
6	Certificate or diploma for completing an occupational, technical, or educational program of at least two years
7	Teaching credential program (non-degree program)
8	Graduate or professional degree
9	Other/Undecided

Information Acknowledgement
2000-2001 Student Aid Report (SAR)
Federal Student Aid Programs

OMB No. 1845-0008
Form Approved
Exp. 12/31/2001

123-45-6789
ST 99 DRN: 1234

Do not use this form to make corrections. See your Financial Aid Administrator.

000117C041

March 17, 2000
EFC: 00979*C

BA DEG REC'D

ABCDEFGHI J. ABCDEFGHIJKLMNOP
1234 ABCDEFGHIJKLMNOPQRSTUV
ABCDEFGHIJKLMNOPQ, AB 12345

We have processed the electronic Application for Federal Student Aid, Renewal Application for Federal Student Aid, or correction that you submitted through your school. On the back of this page we have printed the information we received and a summary of the results of processing that information. You should review this information and contact your Financial Aid Administrator (FAA) if any corrections need to be made. Based on the information you provided, we may have assumed certain information to calculate your eligibility for Federal student aid. We printed the assumption we made and the word "assumed" for those items on the back of this page. If these assumptions are not correct, contact your FAA to make the necessary corrections.

We have applied a formula to the information from the form you submitted. The result of this formula will be used by your school to determine your eligibility for most types of Federal student aid. See your FAA to determine what types of student aid you may be able to receive. Based on the information you gave us, you are not eligible for a Federal Pell Grant.

Your application has been selected for review in a process called verification. You must submit to your school signed copies of certain 1999 financial documents. Contact your FAA to find out which documents are required.

You must contact your FAA to determine if you meet all of the eligibility requirements to receive Federal financial aid.

Sample Output Document

```
               2000-2001 Institutional Student Information Record

******************************************************************************
* IMPORTANT: Read ALL information to find out what to do with this Report. *
******************************************************************************
                                                          OMB Number:1845-0008
XXXXXXXXX X XXXXXXXXXXXXXXXX     Page 1 of X               FEBRUARY 18, 2000
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXX XX 99999                                        EFC 00000* C

Read this letter carefully and review each item on this Institutional
Student Information Record (ISIR). You may submit corrections to the
information by following the instructions given to you by your Financial Aid
Administrator (FAA).

We need you to give us more information so that we can determine your
eligibility for Federal student aid. REVIEW ALL OF THE INFORMATION on this
Institutional Student Information Record (ISIR) and respond to each of the
items that we marked with an "h" or an "*". After making all necessary
corrections, you and your spouse must return all documentation to your
school. Your Financial Aid Administrator (FAA) will receive a new ISIR.

If you need help correcting your ISIR, contact your FAA for assistance,
or call the Federal Student Aid Information Center at 1-800-4-FED-AID
(1-800-433-3243).


#=assumption h=highlight flag *=history correction 99999999 XX 99
```

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2000-2001 Institutional Student Information Record

Student ID	999999999 XX 99

STEP ONE (THE STUDENT) (Q1 -	
Name	XXXXXXXXX X XXXXXXXXXXXXXXX
Address:	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXX XX 99999
Social Security Number	999-99-9999
Date of Birth	99/99/9999
Permanent Home Phone #	(999)999-9999
Have Driver's License?	XXX
Driver's Lic	#XXXXXXXXXXXXXXXXXXXX-XX
Citizenship Sts	XXXXXXXXXXXXXXXXXXX
Alien Registration Number	XXXXXXXXXX
Marital Status	XXXXXXXXX
Date of Marital Status	99/9999
Enrollment Sts Summ 2000	XXXXXXXXX
Enrollment Sts Fall 2000	XXXXXXXXX
Enrollment Sts Wint 2000	XXXXXXXXX
Enrollment Sts Spr 2000	XXXXXXXXX
Enrollment Sts Summ 2000	XXXXXXXXX
Father's Educational Level	XXXXXXXXXX
Mother's Educational Level	XXXXXXXXXX
State of Legal Residence	XX
Legal Resident before 1-1-1995?	XXX
Date of Legal Res.	99/9999
Drug Conviction Elig	XXX
Are You Male?	XXX
Register for Selective Service?	XXX
Degree/Cert	XXXXXXXXXXXXXXXXXX
Yr in Coll 2000-2001	XXXXXXXXXXXXXXX
Have HS Diploma, GED?	XXX
Bachelor's Degree by 7-1-2000	XXX
Interested in Student Loans?	XXX
Interested in Work Study?	XXX

STEP TWO (STUDENT & SPOUSE) (Q37-Q53)	
1999 Tax Form Filed Status	XXXXXXXXX
Type of 1999 Tax Form Used	XXXXXXXXXXX
Eligible to File 1040A or 1040	XXX
Student and Spouse 1999 AGI	$999999
Student and Spouse 1999 Tax	$999999
Student and Spouse 1999 Exemptions	XX
Earned Income Credit	$99999
Student's Income from Work	$999999
Spouse's Income from Work	$999999
Amt from Worksheet A	$99999
Amt from Worksheet B	$99999

EFC	9999
Dependency Status	X
Cash, Savings, and Checking	$999999
Net Worth of Investments	$999999
Net Worth of Business	$999999
Net Worth of Investment Farm	$999999
No. of Months VA Benefits Received	99
Amount Per Month of VA Benefits	999

STEP THREE (THE STUDENT) (Q54 - Q59)	
Born Before 1-1-1977?	XXX
Working on Degree Beyond Bachelor's	XXX
Are you Married?	XXX
Dependents Other Than Spouse?	XXX
Orphan or Ward of the Court	XXX
Veteran of U.S. Armed Forces	XXX

STEP FOUR (PARENTS) (Q60 - Q85)	
Marital Status	XXXXXXXXXX
Father's Social Security Num	999-99-9999
Father's Last Name	XXXXXXXXXXXXXXX
Mother's Social Security Num	999-99-9999
Mother's Last Name	XXXXXXXXXXXXXXX
Number in Household	99
Number in College in 2000-2001	9
State of Legal Residence	XX
Legal Residents before 1-1-1995?	XXX
Date of Legal Res.	99/9999
Age of Older Parent	XX
1999 Tax Form Filed Status	XXXXXXXXXX
Type of 1999 Tax Form Used	XXXXXXXX
Eligible to File 1040A or 1040EZ?	XXX
Parents' 1999 AGI	$999999
Parents' 1999 Tax	$999999
Parents' 1999 Exemptions	XX
Earned Income Credit	$99999
Father's Income from Work	$999999
Mother's Income from Work	$999999
Amt from Worksheet A	$99999
Amt from Worksheet B	$99999
Cash, Savings, and	$999999
Net Worth of Investments	$999999
Net Worth of Business	$999999
Net Worth of Investment Farm	$999999

STEP FIVE (STUDENT HH) (Q86 - Q87	
Number in Household	99
Number in College in 2000-2001	99

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```
                Institutional Student Information Record

Student ID                    [illegible]        EFC                  [illegible]
Last Name                     [illegible]

STEP 6 [illegible]
College 1 [illegible] Housing 1        [illegible]
College 2 [illegible] Housing 2        [illegible]
College 3 [illegible] Housing 3        [illegible]
College 4 [illegible] Housing 4        [illegible]
College 5 [illegible] Housing 5        [illegible]
College 6 [illegible] Housing 6        [illegible]
                                                  Primary EFC Type            [illegible]
                                                  Secondary EFC Type          [illegible]
STEP 7 [illegible]                                Processed Date              [illegible]
Date Application Completed     [illegible]        Application Source          [illegible]
Signed By                      [illegible]        ISIR Transaction Type       [illegible]
Preparer's SSN                 [illegible]        Institution Number          [illegible]
Preparer's EIN                 [illegible]        Reject Override
                                                  Codes:
Preparer's Signature           [illegible]        [illegible]
                                                  Assumption Override Code
                                                  [illegible]
FAA INFORMATION                                 Early Analysis Flag           [illegible]
Date ISIR Received             [illegible]      Rejects Met                   [illegible]
Verification Flag              [illegible]
System Generated Indicator     [illegible]      Dependency Override           [illegible]
FAA Adjustment                 [illegible]      Duplicate Request             [illegible]
Date Application Received      [illegible]      Correction # Applied to       [illegible]
Reprocessing Code              [illegible]      Transaction Receipt Date      [illegible]
Processed Record Type          [illegible]      Input Record Type             [illegible]

Pell Paid EFC [illegible]   Pell Elig Flag
Primary EFC   [illegible]   Secondary EFC
Mon 1  [illegible]  Mon 7  [illegible]  Mon 1  [illegible]  Mon 7  [illegible]
Mon 2  [illegible]  Mon 8  [illegible]  Mon 2  [illegible]  Mon 8  [illegible]
Mon 3  [illegible]  Mon 10 [illegible]  Mon 3  [illegible]  Mon 10 [illegible]
Mon 4  [illegible]  Mon 11 [illegible]  Mon 4  [illegible]  Mon 11 [illegible]
Mon 5  [illegible]  Mon 12 [illegible]  Mon 5  [illegible]  Mon 12 [illegible]
Mon 6  [illegible]  Mon 9  [illegible]

Auto Zero EFC Flag  [illegible]
SNT Flag            [illegible]                        Correspondent App Flag  [illegible]

Match Flags:                   [illegible]

            NSLDS Transaction Number   [illegible]     SS Registration Flag [illegible]
                                                       NSLDS Database Results Flag [illegible]

Comments:     [illegible]

[illegible]                                                   Page [illegible]
```

Checkpoint #2: Output Documents

Fill in the blanks using the correct letter from the choices below. Each choice is used only once.

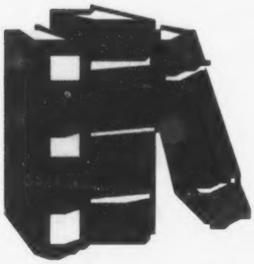
a) Central Processing System (CPS)
b) Data Release Number (DRN)
c) EDExpress
d) Student Aid Report (SAR)
e) SAR Information Acknowledgement (IA)
f) Information Request Form
g) Information Review Form
h) ISIR
i) Pell-Eligible
j) Pell-Ineligible
k) Rejected

After submitting her FAFSA using FAFSA on the Web, Fran received her _____, which was ______ because her EFC was too high. She discovered that she had forgotten to list one school, Simon College, so she had to resubmit her data to the _____ for reprocessing. Soon, Simon College received a(n) _____ for Fran.

Richard's SAR came back with an EFC of 0. Since he has yet to receive a bachelor's degree, his SAR is _____. Richard noticed that he spelled the name of his street wrong, so he wrote the correction on Part 2 of the SAR, which was a(n) _____.

Instead of sending the FAFSA himself, Dustin took his FAFSA to the school. The school entered the data using _____. Soon, Dustin received his _____.

Jessica submitted a paper FAFSA. She forgot to include several items, so she received no EFC. Her SAR was _____. Part 2 of her SAR was a(n) _____. Her school told her they could submit her changes for her if she supplied the school with her _____.



Resources

- ★ *The 2000-01 High School Counselor's Handbook*
- ★ *A Guide to 2000-01 SARs and ISIRs*
- ★ The 2000-01 FAFSA
- ★ FAFSA on the Web at http:\\www.fafsa.ed.gov
- ★ FAFSA Express: call 1-800-801-0576 to order or download from: http:\\www.ed.gov/offices/OPE/express.html

Answer Key

Tony's Questions

1) She should not include her ARN(Alien Registration Number). She should just mark U.S. citizen for #15.
2) He should indicate on the FAFSA the status of his marriage on the day he completes the form.
3) Certain state and private agencies award scholarships for first-generation postsecondary school students.
4) Not necessarily. Check with the FAFSA on theWeb at http:\\www.fafsa.ed.gov or call 1-800-4-FED-AID (1-800-433-3243) to find out more information.
5) Tony should still mark "1st year, Never Attended."
6) Tony should say yes to all loan sources. He can always refuse them later.
7) He should estimate. If the real amounts differ, he can correct his data later.
8) His friend is a veteran. Only a dishonorable discharge would preclude him from being a veteran.
9) Tony should use his mom's tax information, since Tony lived with her the most over the past year. If he had lived with both parents equally, he would have included the parent who covered the most expenses for him.
10) Tina *must* get her stepmother's financial data in order to complete the FAFSA.
11) Sam should still use his parents' financial information.
12) The amount Howie's aunt spends on his food and shelter (in-kind support) should not be included as income. However, the amount to cover his car payment (cash support) should be included as untaxed income.
13) Since his sister is part of his immediate family, she is included because his parents provide more than half of her expenses.
14) Tony's girlfriend would include Tony in her household size since she is covering more than half of his expenses and he is living under her roof.
15) The order of the colleges does not matter.
16) A preparer is someone who actually fills out the form in place of the student, not someone who simply helps the student understand the questions, so you should not fill out Step Six.

Checkpoint #1 – Types of FAFSAs

1) **F**
2) **T**
3) **T**
4) **F**
5) **T**
6) **T**
7) **F**

Answer Key (cont'd)

Checkpoint #2: Output Documents

After submitting her FAFSA using FAFSA on the Web, Fran received her **SAR**, which was **Pell-Ineligible** because her EFC was too high. She discovered that she forgot to list one school, Simon College, so she had to resubmit her data to the **CPS** for reprocessing. Soon, Simon College received an **ISIR** for Fran.

Richard's SAR came back with an EFC of 0. Since he has yet to receive a bachelor's degree, his SAR is **Pell-Eligible**. Richard noticed that he spelled the name of his street wrong, so he wrote the correction on Part 2 of the SAR, which was an **Information Review Form**.

Instead of sending the FAFSA himself, Dustin took his FAFSA to the school. The school entered the data using **EDExpress**. Soon, Dustin received his **SAR IA**.

Jessica submitted a paper FAFSA. She forgot to include several items, so she received no EFC. Her SAR was **rejected**. Part 2 of her SAR was an **Information Request Form**. Her school told her they could submit her changes for her if she supplied the school with her **DRN**.

Session 4

How Much Aid Can The Student Get?

Questions we will answer during this session:

What is included in a student's Cost of Attendance (COA)?

How do you calculate a student's Expected Family Contribution (EFC)?

What is Estimated Financial Assistance (EFA)?

How do you calculate a student's need for financial aid?

How do you package financial aid?

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What is included in a student's cost of attendance (COA)?

Cost of Attendance	
Components	
Tuition and Fees	• actual or average costs can be used • tuition may differ for various student categories • fees may include: - rental or purchase of equipment, materials, & supplies required for all students in same course of study
Books and Supplies	• include if not already included as rental or purchase under tuition/fees • charges vary with programs • allowance proportional to course load and enrollment status
Transportation	• student may have allowances for commuting to school or travel between school and student's permanent residence
Personal Expenses	• examples include hygiene items (soap, shampoo, etc.), clothing, laundry, and recreation
Room and Board	• costs only for enrollment period and for individual student • student must be enrolled at least half time • include cost for school housing, or reasonable allowance for non-school housing (including living at home)

continued on next page

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Cost of Attendance

Components	
Dependent Care	• expenses for spouse, children, elderly parents needing care and living with student • care must be necessary for student to attend school • amount may vary with number & age of dependents • time periods covered include class time, field work, internships, commuting time, and other study-related activities
Study-Abroad Expenses	• for student enrolled overseas at least half time in program approved for credit by home institution • examples of costs include airfare, passport fee, immunization
Disability-Related Expenses	• for personal assistance, transportation, equipment/supplies and special medical expenses not provided by any other source, not available free, and required for student to be able to attend • student must be enrolled at least half-time
Employment Expenses for Cooperative Education	• student must be enrolled at least half-time • examples of expenses include uniforms, tools, and equipment
Student Loan Fees	• must include if student/parent borrower receives Direct, FFEL, or PLUS • school may use actual or average cost of loan fees • student must be enrolled at least half-time • school may include fees for conventional student loans as budget component
Personal Computer	• reasonable allowance that must be documented • computer may be rented or purchased

COA Components for Specific Student Groups

Components	Incarcerated Students*	Less-Than-Half-Time Enrollment	Correspondence Study **
Tuition and fees	Yes	Yes	Yes
Room and board	No	No	Only for required period of residential training
Books, supplies, transportation, and miscellaneous personal expenses	Only books and supplies related to course of study	Only books, supplies, and transportation	Books, supplies, and only travel related to a required period of residential training
Dependent-care expenses	No	Yes	No
Disability-related expenses	No	No	No
Study-abroad expenses	No	No	No
Employment expenses related to cooperative education programs	No	No	No
Student loan fees (Federal Direct Loan and FFEL Programs)	No	No	No

* An incarcerated student is **ineligible** to receive a student loan. Further, students incarcerated in federal or state penal institutions may not receive a Pell Grant.

** A student is eligible for federal student financial aid for correspondence courses if the courses are part of a degree program and the school meets ED's acceptance criteria for the percentage of correspondence courses taught.

2000-01 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED
WORKSHEET
Page 1
A

PARENTS' INCOME IN 1999

1. Parents' Adjusted Gross Income (FAFSA/SAR #74)		
2. a. Father's income earned from work (FAFSA/SAR #78)		
2. b. Mother's income earned from work (FAFSA/SAR #79)	+	
Total parents' income earned from work	= 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above if non-tax filers, enter the amount from line 2.)*		
4. Untaxed income and benefits:		
• Earned Income Credit (tax filers only) (FAFSA/SAR #77)		
• Total from FAFSA Worksheet A (FAFSA/SAR #80)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #81)	-	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number	=	

ALLOWANCES AGAINST PARENTS' INCOME

8. 1999 U.S. income tax paid (FAFSA/SAR #75) (tax filers only), if negative, enter zero		
9. State and other tax allowance (Table A1. If negative, enter zero.)	+	
10. Father's Social Security tax (Table A2)	+	
11. Mother's Social Security tax (Table A2)	+	
12. Income protection allowance (Table A3)	+	
13. Employment expense allowance:		
• Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less		
• One-parent families: 35% of earned income, or $2,800, whichever is less		
• Two-parent families, one working parent: zero	+	
14. TOTAL ALLOWANCES	=	

AVAILABLE INCOME

Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI) May be a negative number	=	

*STOP HERE if **both** of the following are true: line 3 is $13,000 or less **and** the parents are eligible to file a 1999 IRS Form 1040A or 1040EZ (they are not required to file a 1999 Form 1040) or they are not required to file any income tax return—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #82)			
17. Net worth of investments** (FAFSA/SAR #83) If negative, enter zero			
18. Net worth of business (FAFSA/SAR #84) If negative, enter zero			
19. Net worth of investment farm (FAFSA/SAR #85) If negative, enter zero. If the family resides on the farm, enter zero.			
20. Net worth of business/farm (sum of lines 18 and 19)			
21. Adjusted net worth of business/farm (Calculate using Table A4.)	+		
22. **Net worth** (sum of lines 16, 17, and 21)			
23. Education savings and asset protection allowance (Table A5)	-		
24. **Discretionary net worth** (line 22 minus line 23)	=		
25. Asset conversion rate	X		.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=		

PARENTS' CONTRIBUTION

Available Income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted Available Income (AAI)** May be a negative number.	=	
28. **Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)		
29. **Number in college in 2000-01** (exclude parents) (FAFSA/SAR #66)	÷	
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)	=	

**Do not include the family's home.

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SIMPLIFIED WORKSHEET Page 2 **A**

STUDENT'S INCOME IN 1999

31. Adjusted Gross Income (FAFSA/SAR #40)		
32. Income earned from work (FAFSA/SAR #44)		
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		▨
34. Total from FAFSA Worksheet A (FAFSA/SAR #46)		
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. Total from FAFSA Worksheet B (FAFSA/SAR #47)	-	
37. TOTAL INCOME (line 35 minus line 36) May be a negative number	=	

ALLOWANCES AGAINST STUDENT INCOME

38. 1999 U.S. income tax paid (FAFSA/SAR #41) (tax filers only), if negative, enter zero		
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	2,200
42. Allowance for parents' negative Adjusted Available Income (If line 27 is negative, enter line 27 as a positive number in line 42. If line 27 is positive, enter zero in line 42.	+	
43. TOTAL ALLOWANCES	=	

STUDENT'S CONTRIBUTION FROM INCOME

Total income (from line 37)		
Total allowances (from line 43)	-	
44. Available Income (AI)	=	
45. Assessment of AI	X	.50
46. STUDENT CONTRIBUTION FROM AI If negative, enter zero	=	

STUDENT'S CONTRIBUTION FROM ASSETS

47. Cash, savings, & checking (FAFSA/SAR #48)		
48. Net worth of investments* (FAFSA/SAR #49) If negative, enter zero	+	
49. Net worth of business (FAFSA/SAR #50) If negative, enter zero	+	
50. Net worth of investment farm (FAFSA/SAR #51) If negative, enter zero. If the family resides on the farm, enter zero.	+	
51. Net worth (sum of lines 47 through 50)	=	
52. Assessment rate	X	.35
53. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)		
STUDENT CONTRIBUTION FROM AI (from line 46)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 53)	+	
54. EXPECTED FAMILY CONTRIBUTION	=	

*Do not include the student's home.

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NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months

Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment*	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months

a. **Parents' Adjusted Available Income (AAI) (from line 27—may be a negative number)**		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,440
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)		
e. Number in college (FAFSA/SAR #66)	÷	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	÷	12
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. **Parents' contribution for MORE than 9-month enrollment***	=	

Calculation of Students' Contribution for a Student Enrolled for LESS than 9 Months

Students' contribution (standard contribution for 9-month enrollment, from line 46)		
Divide by 9	÷	9
Student's contribution per month	=	
Multiply by number of months enrollment	X	
Student's contribution for LESS than 9-month enrollment	=	

---

*Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on EFC Formula Worksheet A, line 30.

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Table A1: State and Other Tax Allowance

for EFC Formula Worksheet A (parents only)

STATE	PERCENT OF TOTAL INCOME $0-14,999	PERCENT OF TOTAL INCOME $15,000 or more
Alabama	5%	4%
Alaska	3%	2%
American Samoa	4%	3%
Arizona	6%	5%
Arkansas	6%	5%
California	8%	7%
Canada	4%	3%
Colorado	7%	6%
Connecticut	6%	5%
Delaware	8%	7%
District of Columbia	10%	9%
Federated States of Micronesia	4%	3%
Florida	4%	3%
Georgia	7%	6%
Guam	4%	3%
Hawaii	8%	7%
Idaho	7%	6%
Illinois	6%	5%
Indiana	6%	5%
Iowa	8%	7%
Kansas	7%	6%
Kentucky	7%	6%
Louisiana	4%	3%
Maine	9%	8%
Marshall Islands	4%	3%
Maryland	9%	8%
Massachusetts	9%	8%
Mexico	4%	3%
Michigan	9%	8%
Minnesota	9%	8%
Mississippi	5%	4%
Missouri	6%	5%
Montana	8%	7%
Nebraska	8%	7%
Nevada	3%	2%
New Hampshire	7%	6%
New Jersey	8%	7%
New Mexico	6%	5%
New York	11%	10%
North Carolina	8%	7%
North Dakota	6%	5%
Northern Mariana Islands	4%	3%
Ohio	8%	7%
Oklahoma	6%	5%
Oregon	10%	9%
Palau	4%	3%
Pennsylvania	7%	6%
Puerto Rico	4%	3%
Rhode Island	9%	8%
South Carolina	8%	7%
South Dakota	4%	3%
Tennessee	3%	2%
Texas	3%	2%
Utah	8%	7%
Vermont	8%	7%
Virgin Islands	4%	3%
Virginia	8%	7%
Washington	4%	3%
West Virginia	6%	5%
Wisconsin	10%	9%
Wyoming	3%	2%
Blank or invalid State	4%	3%
OTHER	4%	3%

Multiply parents' total income (from EFC formula Worksheet A, line 7) by the appropriate rate from the table above to get the "state and other tax allowance" (line 9 of Worksheet A). Use the parents' (FAFSA/SAR #67). If this item is blank or invalid, use the student's (FAFSA/SAR #25). If both items are blank or invalid, use the in the student's mailing address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student

Income Earned from Work *	**Social Security Tax**
$0 - $72,600	7.65% of income
$72,601 or greater	$5,553.90 + 1.45% of amount over $72,600

* Father's 1999 income earned from work is FAFSA/SAR #78
Mother's 1999 income earned from work is FAFSA/SAR #79
Student's 1999 income earned from work is FAFSA/SAR #44
Social Security tax will never be less than zero

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #65)	Number of college students in household (FAFSA/SAR #66) Exclude parents from number in college				
	1	2	3	4	5
2	$12,450	$10,320	———	———	———
3	15,500	13,380	$11,250	———	———
4	19,140	17,010	14,890	$12,760	———
5	22,580	20,450	18,340	16,210	$14,090
6	26,420	24,290	22,170	20,040	17,920

NOTE: For each additional family member, add $2,980
For each additional college student (except parents), subtract $2,120

Table A4: Business/Farm Net Worth Adjustment

for EFC Formula Worksheet A (parents only)

If the net worth of a business or farm is—	**Then the adjusted net worth is—**
Less than $1	$0
$1 to $90,000	40% of net worth of business & farm
$90,001 to $265,000	$ 36,000 + 50% of excess over $90,000
$265,001 to $445,000	$123,500 + 60% of excess over $265,000
$445,001 or more	$231,500 + 100% of excess over $445,000

Table A5: Education Savings and Asset Protection Allowance

for EFC Formula Worksheet A (parents only)

age of older parent*	Allowance if there are two parents	Allowance if there is only one parent	age of older parent*	Allowance if there are two parents	Allowance if there is only one parent
25 or less	0	0	45	44,600	27,400
26	2,600	1,600	46	45,800	28,100
27	5,200	3,300	47	46,700	28,700
28	7,800	4,900	48	47,800	29,300
29	10,500	6,600	49	49,100	30,000
30	13,100	8,200	50	50,300	30,700
31	15,700	9,800	51	51,800	31,400
32	18,300	11,500	52	53,200	32,200
33	20,900	13,100	53	54,800	33,000
34	23,500	14,800	54	56,200	33,800
35	26,100	16,400	55	57,900	34,700
36	28,700	18,000	56	59,700	35,600
37	31,400	19,700	57	61,500	36,400
38	34,000	21,300	58	63,400	37,500
39	36,600	23,000	59	65,300	38,500
40	39,200	24,600	60	67,200	39,600
41	39,900	25,200	61	69,600	40,000
42	40,900	25,800	62	71,600	41,700
43	42,000	26,300	63	74,100	42,900
44	43,100	26,900	64	76,600	44,100
			65 or more	79,000	45,700

*age of older parent is FAFSA/SAR #70; if blank, use age 45 on this table.

Table A6: Parents' Contribution From AAI

If parents' AAI is—	The parents' contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $11,100	22% of AAI
$11,101 to $14,000	$2,442 + 25% of AAI over $11,100
$14,001 to $16,800	$3,167 + 29% of AAI over $14,000
$16,801 to $19,600	$3,979 + 34% of AAI over $16,800
$19,601 to $22,500	$4,931 + 40% of AAI over $19,600
$22,501 or more	$6,091 + 47% of AAI over $22,500

Table A7: State and Other Tax Allowance
for EFC Formula Worksheet A (student only)

Alabama	3%
Alaska	0%
American Samoa	2%
Arizona	3%
Arkansas	4%
California	5%
Canada	2%
Colorado	4%
Connecticut	2%
Delaware	5%
District of Columbia	7%
Federated States of Micronesia	2%
Florida	1%
Georgia	4%
Guam	2%
Hawaii	6%
Idaho	5%
Illinois	2%
Indiana	4%
Iowa	5%
Kansas	4%
Kentucky	5%
Louisiana	2%
Maine	5%
Marshall Islands	2%
Maryland	6%
Massachusetts	5%
Mexico	2%
Michigan	4%
Minnesota	6%
Mississippi	3%
Missouri	3%
Montana	5%
Nebraska	4%
Nevada	0%
New Hampshire	1%
New Jersey	3%
New Mexico	4%
New York	7%
North Carolina	5%
North Dakota	2%
Northern Mariana Islands	2%
Ohio	5%
Oklahoma	4%
Oregon	6%
Palau	2%
Pennsylvania	3%
Puerto Rico	2%
Rhode Island	4%
South Carolina	5%
South Dakota	0%
Tennessee	0%
Texas	0%
Utah	5%
Vermont	4%
Virgin Islands	2%
Virginia	4%
Washington	0%
West Virginia	4%
Wisconsin	5%
Wyoming	0%
Blank or Invalid State	2%
OTHER	2%

Multiply the total income of student (EFC Formula Worksheet A, line 37) by the appropriate rate from the table above to get the "state and other tax allowance" (line 39 of Worksheet A). Use the student's *state of legal residence* (FAFSA/SAR #25). If this item is blank or invalid, use the *state* in student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' *state of legal residence* (FAFSA/SAR #67). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Checkpoint #1 - Need Analysis

Instructions: *Use the EFC Worksheets and tables, the FAFSA from Session 3, and your neighbor to answer the questions below.*

1) How could AGI (#1) ever differ from income earned from work (#2)?

2) The results of #9-11 are estimates of the amount of state and social security tax the parents paid. Why does this worksheet collect estimates instead of actual amounts?

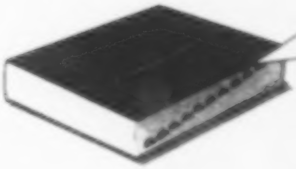
3) What reasons do you think went into including the employment expense allowance?

4) Why do you divide the total parents contribution (AAI) by the number of students in college?

Disbursements and EFC

Types of EFC	Pell Grant	Campus-Based Programs	FFEL/Direct Loans
Estimated EFC (hand calculation)	No disbursements	No disbursements	PLUS disbursements only
Official EFC (calculated by CPS)	Make disbursements	Make disbursements	Make disbursements
School-Recalculated EFC	• 1st payment only if student selected for verification by either CPS or the school • No subsequent payments until official EFC received	• Disbursements okay • Reprocessing by CPS optional • School liable	• Disbursements okay • Reprocessing by CPS optional • School liable

What is Estimated Financial Assistance (EFA)?



Estimated Financial Assistance (EFA)
The total amount of aid, both federal and nonfederal, that a student is scheduled to receive at a given point in time.

How do you calculate a student's need for financial aid?

Equation 1: Basic Need

COA – EFC = Need

Charlie, Part 1: **Charlie's cost of attendance is $14,700. His EFC is 1050. How much financial need does Charlie have?**

Answer: ____________________

Charlie, Part 2: **Charlie is awarded a Pell Grant for $1,950. He also receives a $5,000 scholarship for the year. What is his EFA?**

Answer: ____________________ ________

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Equation 2: Need-Based Aid (EFA Considered)

COA – EFC – EFA = Need

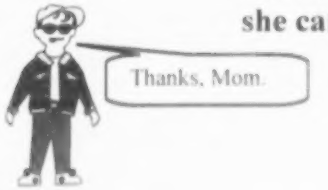
Charlie, Part 3: **Charlie's school awards him all the need-based aid they can, adding a $1,000 FSEOG, a $2,000 Perkins, $1,200 in Federal Work Study, and a $2,500 subsidized Federal Stafford loan. Considering all this, what is Charlie's remaining financial need?**

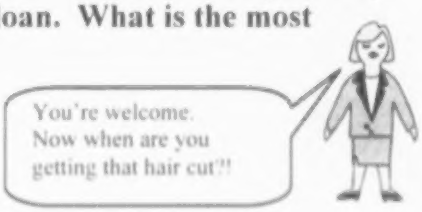
Answer: ____

Equation 3: Non-Need Based Aid

COA – EFA = Need

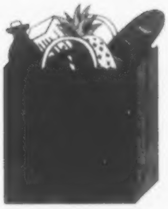
Charlie, Part 4: **Charlie's mom decides she can best help him by borrowing a PLUS loan. What is the most she can borrow?**




You're welcome. Now when are you getting that hair cut?!

Answer: ____

How do schools package financial aid?



Packaging: Federal Requirements

School must have written, published procedures.

When the student is eligible for Pell, Pell *must* be considered first.

Outside awards *must* be included in the aid package before any other federal aid programs beyond Pell are considered.

The combination of financial aid awards plus all other estimated financial assistance must not exceed the student's financial need.

The combination of student aid and EFC must not exceed the student's COA.

If financial aid from another source becomes available after the package is constructed, financial aid awards must be reduced so the total amount does not exceed COA.

Packaging Models

Model	Order of Packaging	Special Notes
Ladder	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* attempt to meet all student need without resorting to loans or FWS
Self-Help	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid (if needed)	* attempt to promote self-help as primary means of meeting need
Absolute Equity	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid equal for all students
Fixed Percentage Equity**	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid based on percentage of each student's COA
Individual Basis	1) Pell 2) Varies by student	
First-Come, First-Served	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid*	* student funded to the maximum need from all sources until funds are exhausted
Special Groups	1) Pell 2) Varies by groups of students*	* for example, athletes on partial scholarships

**Once the COA is multiplied by the school's equity percentage, the Pell Grant and any outside aid must be subtracted before gift aid is determined.

Checkpoint #2: Packaging

Cassandra has a cost of attendance of $8,300. She is scheduled to receive $2,300 in Pell. She is also scheduled to receive a $5,000 private scholarship. Since your school participates in the campus-based programs, you may have some Perkins, FSEOG, and Federal Work Study available for her as well. Your school does not participate in either the FFEL or the Federal Direct Loan program.

1) Using the Ladder Model, in what order would you package Cassandra's aid? (Include aid from all three campus-based programs to meet Cassandra's need. Don't worry about amounts right now – just programs.)

1. ____________________
2. ____________________
3. ____________________
4. ____________________
5. ____________________

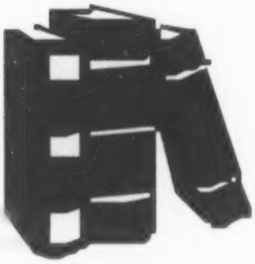
2) Using the Self-Help Model, in what order would you package Cassandra's aid?

1. ____________________
2. ____________________
3. ____________________
4. ____________________
5. ____________________

3) Cassandra is considering living at home instead of living at school this year. If she lives at home, she will have a lower COA. Under which model might she receive a lower FSEOG if she lives at home rather than at school? ______________________________

4) Why would a school that offers FSEOG not be able to use First-Come, First-Served? ______________________________

____



Resources

- ★ *Federal Student Financial Aid Handbook: Student Eligibility Reference*
- ★ The 2000-01 Paper FAFSA

Answer Key

Checkpoint #1 – Need Analysis

1) Number 1 could also include interest earned from savings accounts.
2) The actual amounts are not collected on the FAFSA, so you couldn't acquire the actual amounts without getting extra forms from the student.
3) It is for families with no parents home during the day. It is intended to cover expenses like housekeeping, transportation, and meals away from home.
4) The parents will be expected to contribute to the education of all household members enrolled in postsecondary school.

Charlie

Part 1: $14,700 (COA) – 1050 (EFC) = $13,650 (Need)

Part 2: $1,950 (Pell) + $5,000 (Scholarship) = $6,950 (EFA)

Part 3: $14,700 – 1050 (EFC) – [$1,000 + $2,000 + $1,200 + $6,950] (EFA) = $0

Part 4: $14,700 (COA) - $13,650 (EFA) = $1,050 (Elig. for PLUS)

Checkpoint #2 – Packaging

1) Pell, scholarship, FSEOG, Perkins and FWS (or FWS and Perkins)
2) Pell, scholarship, Perkins and FWS (or FWS and Perkins), FSEOG
3) Fixed Percentage Equity Model
4) The limited funds would run out before everyone had the opportunity to take advantage of the grant money. Making FSEOG available throughout the year for rolling admissions is required.

Session 5

Communicating with Students and Families

Questions we will answer during this session:

What are some ways to communicate with students and families at your school?

How do you handle different kinds of questions from students?

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Financial Aid

1998-99 Application Information

WHAT IS FINANCIAL AID?

The primary purpose of financial aid is to supplement the financial resources you and your family have planned for college; thereby reducing cost barriers that may prevent you from pursuing your educational goals. Assistance is available from a variety of programs funded by federal, state, university and private sources. These can include grants, scholarships, loans and employment opportunities. There is one application for scholarships and a separate application for grants, work-study and loans.

HOW DO I APPLY?

For scholarships: Entering freshman, new transfer and students returning after a break in enrollment will find the scholarship application in the 1998-99 admissions packet. Those applying for scholarships must submit an admission application with all required documentation along with their scholarship application by February 1, 1998. Continuing students obtain the application from the Scholarship Office after November 1, 1997 and submit by February 1, 1998.

For grants, work-study and loan programs: You may file a paper version of the Free Application for Federal Student Aid (FAFSA) or use the internet.

Paper Applications:
For New Applicants -
Complete the Free Application for Federal Student Aid (FAFSA), and you will be considered for all the federal, state and institutional programs listed in this brochure. The FAFSA is available from any local high school, community college, university and other post secondary educational institutions.

For 1997-98 Aid Recipients:
Complete the *RENEWAL FAFSA* that was mailed to your home by the U.S. Department of Education. If you do not receive the *RENEWAL APPLICATION* by January 1, use the 1998-99 FAFSA application to apply for aid.

Internet Filing
If you have Internet access, you can file a FAFSA at
http://www.fafsa.ed.gov

FAFSA Express: You may also use FAFSA Express software that allows you to fill out your application on a computer with a modem. Check at your high school, college, public library, or Educational Opportunity Center for FAFSA Express, or download the FAFSA Express software from the Web Page at http://www.ed.gov/offices/OPE/express.html

UNIVERSITY
OF NEVADA
RENO

WHEN DO I APPLY?

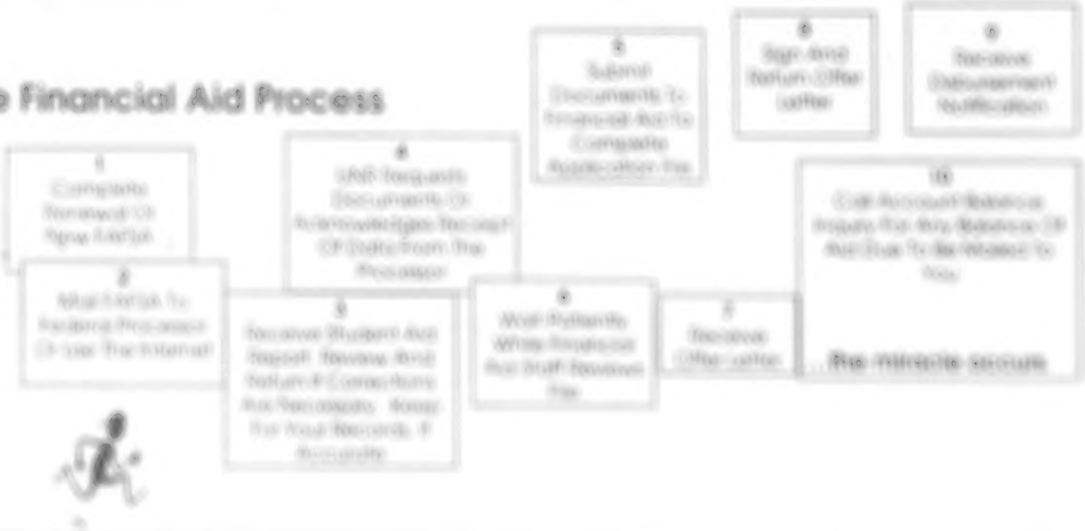
- ✓ **September 1997 and On-going** new, returning and transfer students may apply for admission to the University and for 1998-99 scholarships.
- ✓ **November 1, 1997** Continuing students may apply for 1998-99 scholarships.
- ✓ **January 1, 1998** Apply for financial aid regardless of whether you have been admitted to the University. The earlier you apply, the more options for funding are available. You will not be offered aid until you have been admitted to UNR, so an early admission decision is critical.
- ✓ **February 1, 1998** General scholarship application must be received from all students. Students new to UNR must also have their admission application with supporting documents filed with Admissions and Records by this date.
- ✓ **October 30, 1998** Deadline to request fall semester only Stafford Loan.
- ✓ **April 15, 1999** Deadline to apply for aid for the academic year.

The information contained in this publication accurately reflects regulations and policies at the time of printing. However, regulations governing financial aid are subject to change at any time.

What Else Should I Know?

- The aid process is a cooperative effort between the student, the school, the federal processor, lenders and loan servicers. This means YOU, the student, must monitor your application throughout the process to be successful.
- Clearly print your name and SSN on the top of every document you submit and be sure all documents are complete and signed.
- Keep a photocopy of each document you submit. Copies become the property of our office and are not returned.
- A picture ID is required for all in-person services.
- To expedite processing of your application, respond promptly to requests for additional information. Submit only those documents that are requested. Unsolicited documents will be shredded.
- Always be sure that Admissions and Records has your current address. Financial aid checks are mailed!

The Financial Aid Process


1 Complete Renewal Or New FAFSA
2 Mail FAFSA To Federal Processor Or Use The Internet
3 Receive Student Aid Report. Review And Return If Corrections Are Necessary. Keep For Your Records, If Accurate
4 UNR Requests Documents Or Acknowledges Receipt Of Data From The Processor
5 Submit Documents To Financial Aid To Complete Application File
6 Wait Patiently While Financial Aid Staff Reviews File
7 Receive Offer Letter
8 Sign And Return Offer Letter
9 Receive Disbursement Notification
10 Call Account Balance Inquiry For Any Balance Of Aid Due To Be Mailed To You
The miracle occurs

University of Nevada, Reno	Office Hours	Mon – Fri 8am-4pm
Student Financial Services/076	Limited Service	Mon – Fri 8am-9am and 4pm-5pm
Reno, NV 89557		Thurs – 1:30-4pm(by phone)

FAX: (702) 784-1025
Email – finaid@unr.edu
Website – [illegible]
Incoming calls are routed through an automated menu driven system due to the large volume of calls received by the office. Voicemail is available to receive messages, and your call will be returned within the next business day. To inquire about your application for state and federal aid: (702) 784-[illegible]
To inquire about scholarships: (702) 784-[illegible]
To inquire about student employment: (702) 784-[illegible]

Other Contacts
FAFSA Processing (319) 337-5665
Immigration Service (702) 784-[illegible]
Selective Service (702) [illegible]
Internal Revenue Service (800) 829-1040
Social Security Administration (800) 772-1213

What are some ways to communicate with students at your school?

Newsletters

Contents of Newsletter

Workshops

Items to Hand Out

Financial Aid Awareness Program
(for high school students)

Where to Hold It

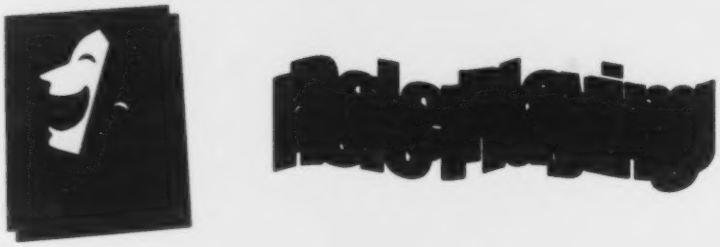
When to Hold It

Who Should Present

How to Publicize It

Materials

How do you handle different kinds of questions from students?



Directions:

1) **Designate a note taker for your group.**
2) **Designate a speaker for your group.**
3) **Have everyone read the scenario.**
4) **Have the group act as the financial aid office, offering suggestions to the student. Try to anticipate the student's follow-up questions.**

Scenario #1: This is the first day of the fall semester. A freshman, Linda Kirkland, comes to the financial aid office and asks, "How do I get financial aid?" The student hasn't filed a FAFSA or completed any other applications for aid. She is carrying with her a small child. How should you advise Linda?

Scenario #2: John McKenzie is a third-year medical student. He has spent the last two years out of medical school due to marital difficulties. Now John has returned to school, newly divorced, with custody of his four-year-old son. Third-year medical students are required to be "on call"in the hospital—sometimes for as long as 36 hours straight. The budget for a third-year medical student is not sufficient to allow John to pay for the extensive childcare he will need to do his hospital assignments. John's budget will somehow have to be adjusted upward to cover the childcare. John has already accumulated substantial student

(cont'd next page)

loan debt. There is a $7,500 research scholarship available in geriatrics. Although John is sure to get this award, he is not interested in this particular area or in working with the doctor in charge of the project. How would you advise John?

Scenario #3: Lori Johnson is a single mother with two children. She is interested in studying cosmetology at your school. Lori lives 25 miles from the school and does not have transportation to and from school. Transportation was a problem for Lori a couple of years before when she dropped out of a computer training school after only one month. Although Lori doesn't have a high school diploma, she has passed the ability-to-benefit test at your school. She seems to have some natural ability in cosmetology and qualifies for loans and a Pell Grant. How would you assist Lori?

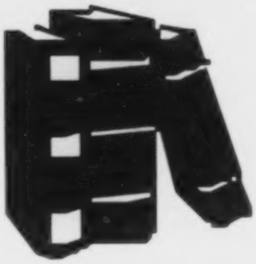
Scenario #4 : You work at a computer training school. Tu Nguyen wants to enroll. Although Tu seems very bright, you know that he will have trouble with the curriculum because he speaks very limited English. He is insisting on enrolling now even though he cannot complete any of the forms unassisted. Tu's local school district is offering free English as a Second Language classes. Tu will have a better chance of finishing the program and getting a job if he improves his English. How would you advise Tu?

Scenario #5 : Mr. and Mrs. Scott are in the financial aid office to complain about their daughter's financial aid award package. Lisa Scott is a freshman engineering student. The Scotts report that their friends' son, who is enrolled in the liberal arts program at your school, has a much lower EFC than they do although they earn about the same. They are also concerned that their daughter has been given more loans than their friend's son. How would you handle the situation with the Scotts?

Scenario #6: Allison Gray has received financial aid for the past three years. She has always lived at home with her mother. Although Allison is a dependent student, her mother's income was never sufficient to cover Allison's tuition and fees and Allison always qualified for grants, campus-based aid, and subsidized loans. Recently, Allison's mother married a man with a substantial income and Allison's financial aid package has changed completely. Additionally, Allison has been selected for verification, but cannot get her parent's tax returns because her stepfather will not provide college assistance and generally doesn't want to be involved. How would you counsel Allison?

Scenario #7: Leonard Collins is a student enrolled in your school's diesel mechanics program. While in the restroom, you overhear a conversation in which he tells another student that he never intends to repay the student loan he just received. Leonard later comes to see you to ask about his loan. What, if anything, would you do?

Scenario #8: Kiera Smith recently applied to your school and was told that her acceptance is conditional, pending successful completion of one semester of remedial courses in English and math. Kiera doesn't have the means to pay for these courses and comes to the financial aid office for advice. How would you advise Kiera?



Resources

★ *The 2000-01 High School Counselor's Handbook*

Precertification Session

Program Participation Issues

SAMPLE COPY

DEPARTMENT OF EDUCATION
INSTITUTIONAL PARTICIPATION & OVERSIGHT SERVICE

PROGRAM PARTICIPATION AGREEMENT
[PROVISIONAL APPROVAL]

NOV 20 1998
RECEIVED

Effective Date of Approval: The date on which this Agreement is signed on behalf of the Secretary of Education

Approval Expiration Date: 06/30/2001

Name of Institution:

Address of Institution:

Office of Postsecondary Education Identification Number:
D.U.N.S. Number:
Taxpayer Identification Number:

The execution of this Agreement by the Institution and the Secretary is a prerequisite to the Institution's initial or continued participation in any Title IV, HEA Program.

The postsecondary educational institution (Institution) listed above, referred to hereafter as the "Institution," and the United States Secretary of Education, referred to hereafter as the "Secretary," agree that the Institution may participate in those student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA Programs) indicated under this Agreement and further agrees that such participation is subject to the terms and conditions set forth in this Agreement. As used in this Agreement, the term "Department" refers to the U.S. Department of Education.

SCOPE OF COVERAGE

This Agreement applies to all locations of the Institution as stated on the most current ELIGIBILITY AND CERTIFICATION APPROVAL REPORT issued by the Department. This Agreement covers the Institution's eligibility to participate in each of the following listed Title IV, HEA programs, and incorporates by reference the regulations cited.

- FEDERAL PELL GRANT PROGRAM, 20 U.S.C. 1070a *et seq*; 34 CFR Part 690.
- FEDERAL FAMILY EDUCATION LOAN PROGRAM, 20 U.S.C. 1071 *et seq*; 34 CFR Part 682.
- FEDERAL DIRECT STUDENT LOAN PROGRAM, 20 U.S.C. 1087a *et seq*; 34 CFR Part 685.
- FEDERAL PERKINS LOAN PROGRAM, 20 U.S.C. 1087aa *et seq*; 34 CFR Part 674

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Reasons and Special Conditions of Provisional Certification

Change in Ownership

The Institution has undergone a change in ownership resulting in a change in control and is granted provisional certification for a period not to exceed three complete award years in which to demonstrate that it satisfies the standards of financial stability and administrative capability.

Requirement of Precertification Training

The Institution must fulfill the Precertification Training Requirement prior to the first anniversary of the effective date of this Agreement.

Application for Recertification

Upon completion of the period of provisional certification, if the Institution wishes to apply for recertification to participate in the Title IV, HEA programs, the Institution must submit a completed Application for Institutional Participation (ED Form E40-34P), together with all required supporting documentation, no later than 03/31/2001.

Grant or Denial of Full Certification

Notwithstanding any paragraph above, the provisional certification ends upon the Department's notification to the Institution of the Department's decision to grant or deny a four year certification to participate in the Title IV, HEA Programs.

GENERAL TERMS AND CONDITIONS

1. The Institution understands and agrees that it is subject to and will comply with the program statutes and implementing regulations for institutional eligibility as set forth in 34 CFR Part 600 and for each Title IV HEA Program in which it participates, as well as the general provisions set forth in Part F and Part G of Title IV of the HEA, and the Student Assistance General Provisions regulations set forth in 34 CFR Part 668. ***The recitation of any portion of the statute or regulations in this Agreement does not limit the Institution's obligation to comply with other applicable statutes and regulations.***

2. a. The Institution certifies that on the date it signs this Agreement, it has a drug abuse prevention program in operation that it has determined is accessible to any officer, employee, or student at the Institution.
   b. The Institution certifies that on the date it signs this agreement, it is in compliance with the disclosure requirements of Section 485(f) of the HEA (Campus Security Policy and Crime Statistics).

3. The Institution agrees to comply with --
   a. Title VI of the Civil Rights Act of 1964, as amended, and the implementing regulations, 34 CFR Parts 100 and 101 (barring discrimination on the basis of race, color or national origin);
   b. Title IX of the Education Amendments of 1972 and the implementing regulations, 34 CFR Part 106 (barring discrimination on the basis of sex);
   c. The Family Rights and Privacy Act of 1974 and the implementing regulations, 34 CFR Part 99;
   d. Section 504 of the Rehabilitation Act of 1973 and the implementing regulations, 34 CFR Part 104 (barring discrimination on the basis of physical handicap); and
   e. The Age Discrimination Act of 1975 and the implementing regulations, 34 CFR Part 110.

4. The Institution acknowledges that 34 CFR Parts 602 and 667 require accrediting agencies, State regulatory bodies, and the Secretary to share information about institutions. The Institution agrees that the Secretary, any accrediting agency recognized by the Secretary, and State regulatory body may share or report information to one another about the Institution without limitation.

5. The Institution acknowledges that the HEA prohibits the Secretary from recognizing the accreditation of any institution of higher education unless that institution agrees to submit any dispute involving the final denial, withdrawal, or termination of accreditation to initial arbitration prior to any other legal action.

Selected Provisions From
GENERAL PROVISIONS REGULATIONS, 34 CFR PART 668

By entering into this Program Participation Agreement, the Institution agrees that:

(1) It will comply with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA, including the requirement that the institution will use funds it receives under any Title IV, HEA program and any interest or other earnings thereon, solely for the purposes specified in and in accordance with that program;

(2) As a fiduciary responsible for administering Federal funds, if the institution is permitted to request funds under a Title IV, HEA program advance payment method, the institution will time its requests for funds under the program to meet the institution's immediate Title IV, HEA program needs;

(3) It will not request from or charge any student a fee for processing or handling any application, form, or data required to determine a student's eligibility for, and amount of, Title IV, HEA program assistance;

(4) It will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to—

(i) The Secretary;

(ii) The State [regulatory bodies] for the State or States in which the institution or any of the institution's branch campuses or other locations are located;

(iii) A guaranty agency, as defined in 34 CFR part 682, that guarantees loans made under the Federal Stafford Loan, and Federal PLUS programs for attendance at the institution or any of the institution's branch campuses or other locations;

(iv) The nationally recognized accrediting agency that accredits or preaccredits the institution or any of the institution's branch campuses, other locations, or educational programs;

(v) The State agency that legally authorizes the institution and any branch campus or other location of the institution to provide postsecondary education; and

(vi) In the case of a public postsecondary vocational educational institution that is approved by a State agency recognized for the approval of public postsecondary vocational education, that State agency;

(5) It will comply with the provisions of §668.15 relating to factors of financial responsibility;

(6) It will comply with the provisions of §668.16 relating to standards of administrative capability;

(7) It will submit reports to the Secretary and, in the case of an institution participating in the Federal Stafford Loan, Federal PLUS, or the Federal Perkins Loan Program, to holders of loans made to the institution's students under that program at such times and containing such information as the Secretary may reasonably require to carry out the purpose of the Title IV, HEA programs;

(8) It will not provide any statement to any student or certification to any lender under the Federal Stafford Loan, Federal or PLUS, Program that qualifies the student for a loan or loans in excess of the amount that the student is eligible to borrow in accordance with sections 425(a), 428(a)(2), 428(b)(1)(A) and (B), and 428H of the HEA;

(9) It will comply with the requirements of Subpart D of 34 CFR part 668 concerning institutional and financial assistance information for students and prospective students;

(10) In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, it will make available to prospective students, at or before the time that those students apply for enrollment—

(i) The most recent available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements; and

(ii) Relevant State licensing requirements of the State in which the institution is located for any job for which an educational program offered by the institution is designed to prepare those prospective students;

(11) In the case of an institution participating in the Federal Stafford Loan, or Federal PLUS Program, the institution will inform all eligible borrowers, as defined in 34 CFR part 682, enrolled in the institution about the

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availability and eligibility of those borrowers for State grant assistance from the State in which the institution is located, and will inform borrowers from another State of the source for further information concerning State grant assistance from that State;

(12) It will provide the certifications described in paragraph (c) of this section;

(13) In the case of an institution whose students receive financial assistance pursuant to section 484(d) of the HEA, the institution will make available to those students a program proven successful in assisting students in obtaining the recognized equivalent of a high school diploma;

(14) It will not deny any form of Federal financial aid to any eligible student solely on the grounds that the student is participating in a program of study abroad approved for credit by the institution;

(15) In the case of an institution seeking to participate for the first time in the Federal Stafford Loan and Federal PLUS programs, the institution has included a default management plan as part of its application under §668.12 for participation in those programs and will use the plan for at least two years from the date of that application. The Secretary considers the requirements of this paragraph to be satisfied by a default management plan developed in accordance with the default reduction measures described in Appendix D to 34 CFR part 668;

(16) In the case of an institution that changes ownership that results in a change of control, or that changes its status as a main campus, branch campus, or an additional location, the institution will, to participate in the Federal Stafford Loan and Federal PLUS programs, develop a default management plan for approval by the Secretary and implement the plan for at least two years after the change in control or status. The Secretary considers the requirements of this paragraph to be satisfied by a default management plan developed in accordance with the default reduction measures described in Appendix D to 34 CFR part 668;

(17) The Secretary, guaranty agencies and lenders as defined in 34 CFR part 682, nationally recognized accrediting agencies, the Secretary of Veterans Affairs, State [regulatory bodies], State agencies recognized under 34 CFR part 603 for the approval of public postsecondary vocational education, and State agencies that legally authorize institutions and branch campuses or other locations of institutions to provide postsecondary education, have the authority to share with each other any information pertaining to the institution's eligibility for or participation in the Title IV, HEA programs or any information on fraud and abuse;

(18) It will not knowingly—

(i) Employ in a capacity that involves the administration of the Title IV, HEA programs or the receipt of funds under those programs, an individual who has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of Federal, State, or local government funds, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds;

(ii) Contract with an institution or third-party servicer that has been terminated under section 432 of the HEA for a reason involving the acquisition, use, or expenditure of Federal, State, or local government funds, or that has been administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds; or

(iii) Contract with or employ any individual, agency, or organization that has been, or whose officers or employees have been—

(A) Convicted of, or pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of Federal, State, or local government funds; or

(B) Administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds;

(19) It will complete, in a timely manner and to the satisfaction of the Secretary, surveys conducted as a part of the Integrated Postsecondary Education Data System (IPEDS) or any other Federal collection effort, as designated by the Secretary, regarding data on postsecondary institutions;

(20) In the case of an institution that offers athletically related student aid, it will comply with the provisions of paragraph (d) of this section;

(21) It will not impose any penalty, including, but not limited to, the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds for which interest or other charges are assessed, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a Title IV, HEA program loan due to compliance with statutory and regulatory requirements of or applicable to the Title IV, HEA programs, or delays attributable to the institution;

(22) It will not provide, nor contract with any entity that provides, any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the

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awarding of student financial assistance, except that this requirement shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance. This provision does not apply to the giving of token gifts to students or alumni for referring students for admission to the institution as long as: the gift is not in the form of money, check, or money order; no more than one such gift is given to any student or alumnus; and the gift has a value of not more than $25;

(23) It will meet the requirements established pursuant to part H of Title IV of the HEA by the Secretary, State [authorizing bodies], and nationally recognized accrediting agencies;

(24) It will comply with the refund provisions established in 668.22;

(25) It is liable for all improperly administered funds received or refunded under the Title IV, HEA programs, including any funds administered by a third-party servicer; and

(26) If the stated objectives of an educational program of the institution are to prepare a student for gainful employment in a recognized occupation, the institution will—

(i) Demonstrate a reasonable relationship between the length of the program and entry level requirements for the recognized occupation for which the program prepares the student. The Secretary considers the relationship to be reasonable if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares the student, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency; and

(ii) Establish the need for the training for the student to obtain employment in the recognized occupation for which the program prepares the student.

(c) In order to participate in any Title IV, HEA program (other than the SSIG and NEISP programs), the institution must certify that it—

(1) Has in operation a drug abuse prevention program that the institution has determined to be accessible to any officer, employee, or student at the institution; and

(2)(i) Has established a campus security policy in accordance with section 485(f) of the HEA; and

(ii) Has complied with the disclosure requirements of §668.47 as required by section 485(f) of the HEA.

(d) In order to participate in any Title IV, HEA program (other than the SSIG and NEISP programs), an institution that offers athletically related student aid must—

(1) Cause an annual compilation, independently audited not less often than every 3 years, to be prepared within 6 months after the end of the institution's fiscal year, of—

(i) The revenues derived by the institution from the institution's intercollegiate athletics activities, according to the following categories:

(A) Total revenues.

(B) Revenues from football.

(C) Revenues from men's basketball.

(D) Revenues from women's basketball.

(E) Revenues from all other men's sports combined.

(F) Revenues from all other women's sports combined;

(ii) Expenses made by the institution for the institution's intercollegiate athletics activities, according to the following categories:

(A) Total expenses.

(B) Expenses attributable to football.

(C) Expenses attributable to men's basketball.

(D) Expenses attributable to women's basketball.

(E) Expenses attributable to all other men's sports combined.

(F) Expenses attributable to all other women's sports combined; and

(iii) The total revenues and operating expenses of the institution; and

(2) Make the compilation and, where allowable by State law, the results of the audits required by paragraph (d)(1) of this section available for inspection by the Secretary and the public.

(e) For the purposes of paragraph (d) of this section—

(1) Revenues from intercollegiate athletics activities allocable to a sport shall include without limitation gate receipts, broadcast revenues and other conference distributions, appearance guarantees and options, concessions, and advertising;

(2) Revenues such as student activities fees, alumni contributions, and investment interest income that are not allocable to a sport shall be included in the calculation of total revenues only;

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(3) Expenses for intercollegiate athletics activities allocable to a sport shall include without limitation grants-in-aid, salaries, travel, equipment, and supplies; and

(4) Expenses such as general and administrative overhead that are not allocable to a sport shall be included in the calculation of total expenses only.

(f)(1) A program participation agreement becomes effective on the date that the Secretary signs the agreement.

(2) A new program participation agreement supersedes any prior program participation agreement between the Secretary and the institution.

(g)(1)(i) With respect to an institution that has been certified *other than under a provisional certification—*

(A) Except as provided in paragraphs (h) and (i) of this section, the Secretary terminates a program participation agreement through the proceedings in subpart G of this part.

(B) An institution may terminate a program participation agreement.

(C) If the Secretary or the institution terminates a program participation agreement under paragraph (g) of this section, the Secretary establishes the termination date.

(2) With respect to an institution that has been *provisionally certified*, the Secretary revokes a provisional certification through the proceedings in §668.13(f).

(h) An institution's program participation agreement automatically expires on the date that—

(1) The institution changes ownership that results in a change in control as determined by the Secretary under 34 CFR part 600; or

(2) The institution's participation ends under the provisions of §668.26(a)(1), (2), (4), or (7).

(i) An institution's program participation agreement no longer applies to or covers a location of the institution as of the date on which that location ceases to be a part of the participating institution.

CERTIFICATIONS REQUIRED FROM INSTITUTIONS

The Institution should refer to the regulations cited below. Signature on this Agreement provides for compliance with certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying", and 34 CFR Part 85, "Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirement for Drug-Free Workplace (Grants)." Breach of any of these certificates constitutes a breach of this Agreement.

Part 1 Certification Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements

1. Lobbying

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a grant or cooperative agreement over $100,000, as defined at 34 CFR Part B2, Sections 82.105, and 82.110, the Institution certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Grant or cooperative agreement, the Institution shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with all subrecipients shall certify and disclose accordingly.

(c) The Institution shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

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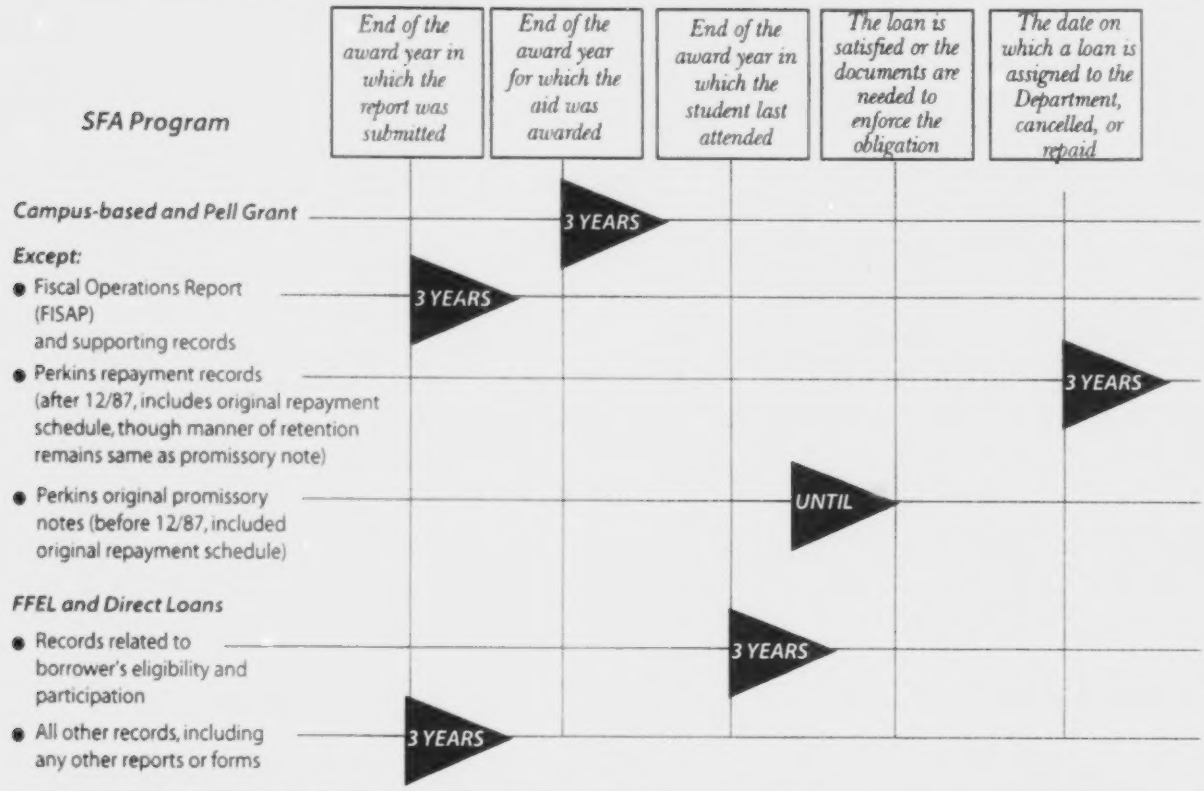
Record Retention

Minimum Record Retention Periods



SFA Program	End of the award year in which the report was submitted	End of the award year for which the aid was awarded	End of the award year in which the student last attended	The loan is satisfied or the documents are needed to enforce the obligation	The date on which a loan is assigned to the Department, cancelled, or repaid
Campus-based and Pell Grant		3 YEARS			
Except:					
• Fiscal Operations Report (FISAP) and supporting records	3 YEARS				
• Perkins repayment records (after 12/87, includes original repayment schedule, though manner of retention remains same as promissory note)					3 YEARS
• Perkins original promissory notes (before 12/87, included original repayment schedule)				UNTIL	
FFEL and Direct Loans					
• Records related to borrower's eligibility and participation			3 YEARS		
• All other records, including any other reports or forms	3 YEARS				

Financial Responsibility

Components of Financial Responsibility	
To be financially responsible, a school must...	**ED assesses schools on the basis of....**
- Meet its financial obligation	- Making timely refunds to students - Making timely repayments to ED - Being current on its debt payment
- Administer Title IV programs properly	- Past performance - Program compliance
- Be in adequate financial condition	- Sufficient resources for its education programs, services, and financial obligations

Additional Financial Responsibility Requirements

Public Schools must provide ED with a letter from a state or other government entity stating that the school is in fact designated as "public" and must not be in violation of any past performance criteria.

Private Schools must meet four additional standards:

1) Equity, primary, and net income ratios must yield a composite score of at least 1.5.

2) School must have sufficient cash reserves to make required refunds.

3) School must be current in its debt payments.

4) School must meet all financial obligations, including (but not limited to) refunds to ED and students, and repayments to ED of debts and liabilities.

Also, the school can not receive an adverse, qualified, or disclaimed audit opinion expressing doubt about the continued existence of the school.

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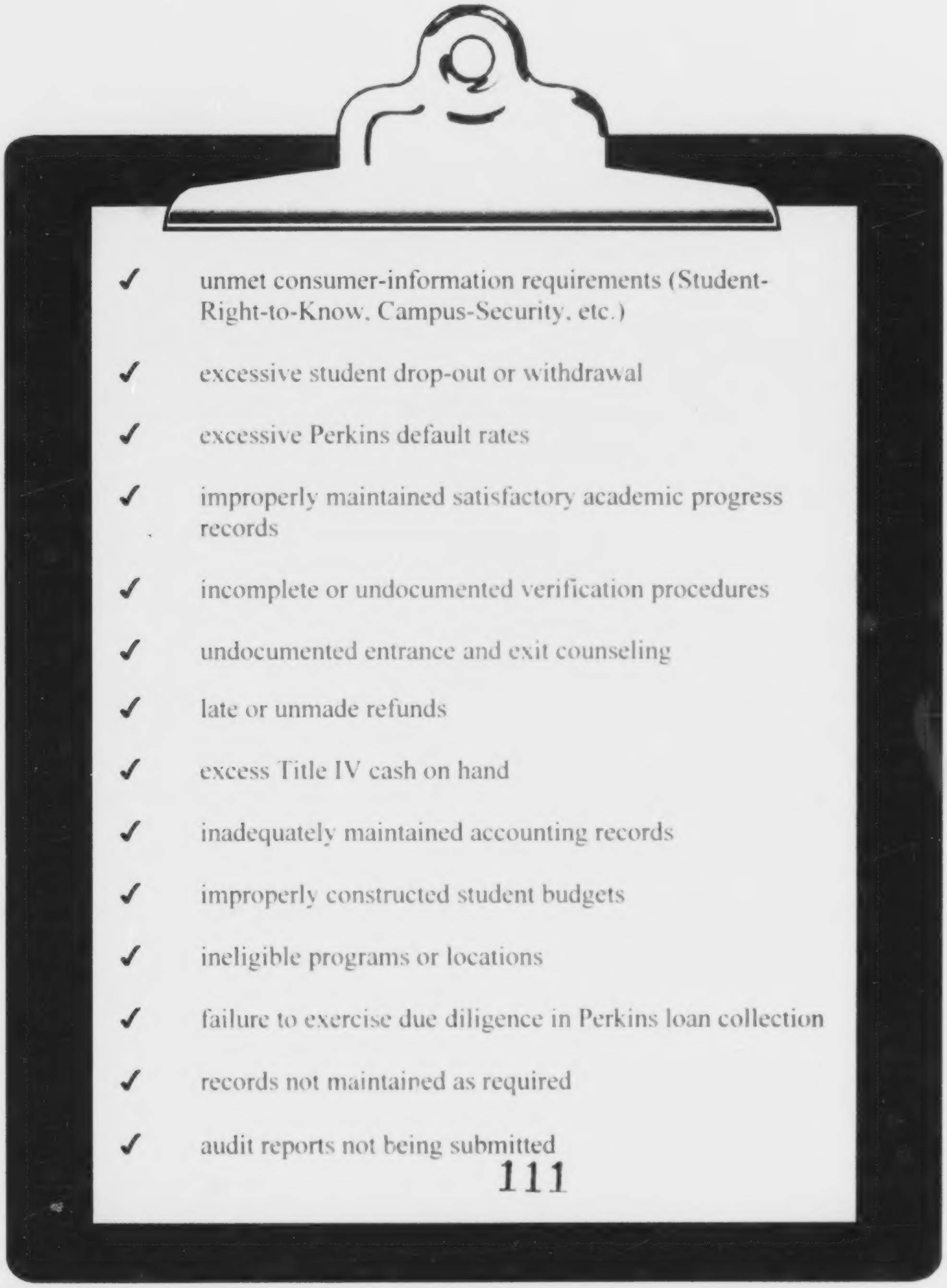
Common Program-Review Findings



- ✓ unmet consumer-information requirements (Student-Right-to-Know, Campus-Security, etc.)
- ✓ excessive student drop-out or withdrawal
- ✓ excessive Perkins default rates
- ✓ improperly maintained satisfactory academic progress records
- ✓ incomplete or undocumented verification procedures
- ✓ undocumented entrance and exit counseling
- ✓ late or unmade refunds
- ✓ excess Title IV cash on hand
- ✓ inadequately maintained accounting records
- ✓ improperly constructed student budgets
- ✓ ineligible programs or locations
- ✓ failure to exercise due diligence in Perkins loan collection
- ✓ records not maintained as required
- ✓ audit reports not being submitted

Resources

- ★ *The Blue Book*

- ★ *The Audit Guide*

- ★ *Federal Student Financial Aid Handbook: Institutional Eligibility and Participation*

- ★ *Management Assessment Form*
  (see Quality Assurance web site via
  http://www.ed.gov/offices/OSFAP/QAP)

- ★ *Institutional Guide to Financial Aid Self-Evaluation*
  Contact NASFAA at:
  phone - (202) 785-0453
  Internet - http://nasfaa.org

- ★ 34 CFR 668

Session 6

Verification, Updating, and Corrections

Questions we will answer during this session:

What is verification?

Who selects students to be verified?

How do you perform verification?

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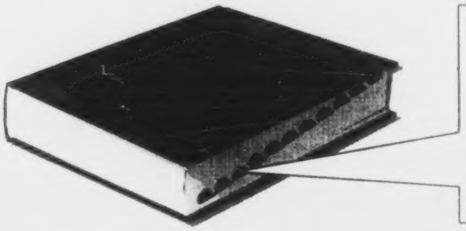
What is verification?



Verification – the process of checking the accuracy of information supplied on the Free Application for Federal Student Aid (FAFSA); used to reduce fraud and abuse; handled by the financial aid office. (34 CFR 668.51-57)

Who selects applicants to be verified?

The Central Processing System (CPS)

- You must verify all applicants selected up to 30% of your applicant pool.

The School*

- **Select as many or as few students as you like.**
- **Verify whatever items you choose.**
- **No school-selected applicants count towards 30% requirement.**

***Note: Quality Assurance schools are exempt from certain verification requirements. See the *QA Workbook* for detailed information.**

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Checkpoint #1 – 30% Option

The Sumner School of Law has 3,500 applicants. The school includes all applicants as part of its applicant pool. The CPS selects 1,000 applications for verification. What if the CPS selects 1,100 applications for verification, how many applications must the school verify?

How many applications must be verified? for 1,000?_____for 1,100?_____

Harvey Education Institute has 100 applicants. The school includes all applicants as part of its applicant pool. The CPS selects 50 applicants for verification.

How many applications must the school verify? ________________

How do you perform verification?

Step One: Verify the Information

ACCEPTABLE DOCUMENTATION

	Verification Worksheet & Tax Return(s)	Other Documentation in lieu of Worksheet or Tax Return (see the text for details)
Household Size	✓	**Signed Statement**
Number Enrolled	✓	**Signed Statement and/or Institutional Certification**
AGI & Taxes Paid	✓	**IRS Letter 1722, RTFTP, Form W-2, Form 4868, and/or Signed Statement**
Untaxed Income & Benefits	✓	**Official Agency Documentation and/or Signed Statement**

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The following information is from the SAR of Chuck Whitney, who was selected for verification.

Case Study

1 LAST NAME	WHITNEY
2 FIRST NAME	CHARLES
3 MIDDLE INITIAL	G
4 PERMANENT STREET ADDRESS	7539 THREE NOTCH RD
5 CITY	COLTON PARK
6 STATE ABBREVIATION	WA
7 ZIP CODE	98523
8 SOCIAL SECURITY NUMBER	987-65-4321
9 DATE OF BIRTH	SEPTEMBER 19, 1973
10 PERMANENT HOME PHONE NUMBER	(360) 555-0555
11 DO YOU HAVE A DRIVER'S LICENSE?	YES
12 DRIVER'S LICENSE NUMBER	W-1234-456-789-012
13 DRIVER'S LICENSE STATE ABBREVIATION	WA
14 CITIZENSHIP STATUS	U.S. CITIZEN
15 ALIEN REGISTRATION NUMBER	(BLANK)
16 MARITAL STATUS	MARRIED
17 DATE OF MARITAL STATUS	OCTOBER 1999
18 ENROLLMENT STATUS SUMMER TERM 2000	NOT ATTENDING
19 ENROLLMANT STATUS FALL SEM/QTR 2000	FULL TIME
20 ENROLLMENT STATUS WINTER QTR 2000-2001	NOT ATTENDING
21 ENROLLMENT STATUS SPRING SEM/QTR 2001	FULL TIME
22 ENROLLMENT STATUS SUMMER TERM 2001	NOT ATTENDING
23 FATHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
24 MOTHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
25 STATE OF LEGAL RESIDENCE ABBREVIATION	WA
26 LEGAL RESIDENT BEFORE JANUARY 1, 1995?	YES
27 DATE YOU BECAME A LEGAL RESIDENT	(BLANK)
28 DRUG CONVICTION ELIGIBILITY?	ELIGIBLE
29 ARE YOU MALE?	YES
30 REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
31 TYPE OF DEGREE/CERTIFICATE	1ST BA
32 GRADE LEVEL IN COLLEGE IN 2000-2001	3RD YR UNDERGRAD
33 HIGH SCHOOL DIPLOMA OR GED?	YES
34 FIRST BACHELOR'S DEGREE BY 7-1-2000?	NO
35 INTERESTED IN STUDENT LOANS?	YES
36 INTERESTED IN WORK-STUDY?	YES
37 FILED 1999 IRS INCOME TAX RETURN	FILED
38 TYPE OF 1999 TAX FORM USED	1040A
39 ELIGIBLE TO FILE A 1040A OR 1040EZ?	YES
40 ADJUSTED GROSS INCOME FROM IRS FORM	$19,000
41 U.S. INCOME TAX PAID	$0
42 EXEMPTIONS CLAIMED	02
43 EARNED INCOME CREDIT	$1,230
44 STUDENT'S INCOME EARNED FROM WORK	$0
45 SPOUSE'S INCOME EARNED FROM WORK	$19,000
46 AMOUNT FROM WORKSHEET A	$200
47 AMOUNT FROM WORKSHEET B	$0
48 CASH, SAVINGS, AND CHECKING	$500
49 NET WORTH OF REAL ESTATE/INVESTMENTS	$0
50 NET WORTH OF BUSINESS	$0
51 NET WORTH OF INVESTMENT FARM	$0
52 HOW MANY MONTHS RECEIVE VA BENEFITS?	(BLANK)

53 MONTHLY VA EDUCATION BENEFITS AMOUNT	$ (BLANK)
54 BORN BEFORE 1-1-1977?	YES
55 WORKING ON DEGREE BEYOND BACHELOR'S?	NO
56 ARE YOU MARRIED?	YES
57 HAVE DEPENDENTS OTHER THAN SPOUSE?	NO
58 ORPHAN OR WARD OF COURT?	NO
59 VETERAN OF U.S. ARMED FORCES?	NO
60. PARENT(S) MARITAL STATUS	
61. YOUR FATHER'S SOCIAL SECURITY NUMBER	
62. YOUR FATHER'S LAST NAME	
63. YOUR MOTHER'S SOCIAL SECURITY NUMBER	
64. YOUR MOTHER'S LAST NAME	
65. NUMBER OF FAMILY MEMBERSIN 2000-2001	
66. NUMBER IN COLLEGE IN 2000-2001	
67. PARENT(S) STATE OF LEGAL RESIDENCE	
68. LEGAL RESIDENT BEFORE JANUARY 1, 1995?	
69. DATE PARENT(S) BECAME LEGAL RESIDENT	
70. AGE OF OLDER PARENT	
71. PARENT(S) FILED 1999 INCOME TAX RETURN	
72. TYPE OF 1999 TAX FORM USED	
73. ELIGIBLE TO FILE A 1040A OR 1040EZ?	
74. ADJUSTED GROSS INCOME FROM IRS FORM	
75. U.S. INCOME TAX PAID	
76. EXEMPTIONS CLAIMED	
77. EARNED INCOME CREDIT	
78. FATHER'S INCOME EARNED FROM WORK	
79. MOTHERS INCOME EARNED FROM WORK	
80. AMOUNT FROM WORKSHEET A	
81. AMOUNT FROM WORKSHEET B	
82. CASH, SAVINGS, AND CHECKING	
83. NET WORTH OF INVESTMENTS	
84. NET WORTH OF BUSINESS	
85. NET WORTH OF INVESTMENT FARM	
86. NUMBER OF FAMILY MEMBERS IN 2000-2001	03
87. NUMBER IN COLLEGE IN 2000-2001	02
88 FIRST COLLEGE NAME	STATE COLLEGE
89 FIRST HOUSING PLANS	OFF CAMPUS
90 SECOND COLLEGE NAME	(BLANK)
91 SECOND HOUSING PLANS	(BLANK)
92 THIRD COLLEGE NAME	(BLANK)
93 THIRD HOUSING PLANS	(BLANK)
94 FOURTH COLLEGE NAME	(BLANK)
95 FOURTH HOUSING PLANS	(BLANK)
96 FIFTH COLLEGE NAME	(BLANK)
97 FIFTH HOUSING PLANS	(BLANK)
98 SIXTH COLLEGE NAME	(BLANK)
99 SIXTH HOUSING PLANS	(BLANK)
100 DATE COMPLETED	FEBRUARY 15, 2000
101 SIGNED BY	STUDENT
102 PREPARER'S SOCIAL SECURITY NUMBER	(BLANK)
103 PREPARER'S EIN	(BLANK)
104 PREPARER'S SIGNATURE	(BLANK)

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Independent

2000-2001 Verification Worksheet

Federal Student Aid Programs

U.S. Department of Education

FORM APPROVED
OMB NO. 1840-0570
EXP. DATE 12/31/2001

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your (and your spouse's, if you are married) 1999 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR), or your school may send corrections electronically, to have your information reprocessed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your (and your spouse's) financial documents (signed Federal income tax forms, W-2 forms, etc.)
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name: Whitney
First name: Charles
M.I.: G.
Social Security Number: 987-65-4321
Address (include apt. no.): 7539 Three Notch Rd.
Date of birth: 9/19/73
City: COLTON PARK
State: WA
ZIP code: 98523
Phone number (include area code): 360-555-0555

B. Family Information

List the people in your household; include:

- yourself, and your spouse if you have one, and
- your children, if you provide more than half of their support from July 1, 2000 through June 30, 2001, and
- other people if they now live with you, and you provide more than half of their support and will continue to provide more than half of their support from July 1, 2000 through June 30, 2001.

Write the names of all household members. Also write in the name of the college for any household member, excluding your parent(s), who will be attending college at least half-time between July 1, 2000 and June 30, 2001, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Martha Jones (example)	24	Wife	City University
Charles Whitney	26	Self	State College
Hope Whitney	27	SPOUSE	Intown Community College
Heather Smith	3	stepdaughter	
Baby Whitney	due 12/00	child	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0570. The time required to complete this information collection is estimated to average twelve minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Application and Pell Processing Systems Division, U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, DC 20202-5453.

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C. Student's Tax Forms and Income Information (all applicants) **Independent**

1. Check one box only. Tax returns include the 1999 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return. If you did not keep a copy of the tax return, request a copy from your tax preparer or a copy of an Internal Revenue Service form that lists tax account information.

☑ Check and attach signed tax return.
☐ Check and complete: signed tax return will be submitted to the school by ____________________ (date).
☐ Check if you will not file and are not required to file a 1999 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income. (See Worksheet A of the Free Application for Federal Student Aid)

Sources of Untaxed Income	Amount	Sources of Untaxed Income	Amount
a. Child Support		d.	
b. Social Security (non-taxed)		e.	
c. Welfare (including TANF)		f.	

3. If you did not file and are not required to file a 1999 Federal income tax return, list below your employer(s) and any income received in 1999.

Sources (Use the W-2 form or other earnings statements.)	Amount

D. Spouse's Tax Forms and Income Information (If student is married)

1. Check one box only. Tax returns include the 1999 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return. If your spouse did not keep a copy of the tax return, request a copy from the tax preparer or a copy of an Internal Revenue Service form that lists tax account information.

☑ Check if you and your spouse did or will file a joint return.
☐ Check and attach signed tax return if your spouse filed a separate return.
☐ Check and complete: signed tax return will be submitted to the school by ____________________ (date).
☐ Check if your spouse will not file and is not required to file a 1999 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income. (See Worksheet A of the Free Application for Federal Student Aid)

Sources of Untaxed Income	Amount	Sources of Untaxed Income	Amount
a. Child Support	$2400 (200/mo.)	d.	
b. Social Security (non-taxed)		e.	
c. Welfare (including TANF)		f.	

3. If your spouse did not file and is not required to file a 1999 Federal income tax return, list below your spouse's employer(s) and any income received in 1999.

Sources (Use the W-2 form or other earnings statements.)	Amount

E. Sign this Worksheet

By signing this worksheet, I (we) certify that all the information reported on this worksheet is complete and correct. If married, spouse's signature is optional.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Charles G. Whitney 3/28/00
Student Date

Hope P. Whitney 3/28/00
Spouse Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator at your school. Don't forget to sign your tax forms.

Form
1040A Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return **1999** IRS Use Only—Do not write or staple in this space.

OMB No. 1545-0085

Label
(See page 19.)

Use the IRS label.
Otherwise, please print or type.

LABEL HERE

Your first name and initial: Charles G. Last name: Whitney
Your social security number: 987:65:4321
If a joint return, spouse's first name and initial: Hope P. Last name: Whitney
Spouse's social security number: 432:19:8765
Home address (number and street). If you have a P.O. box, see page 20: 7539 Three Notch Rd. Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 20: COLTON PARK, WA 98523

▲ IMPORTANT! ▲
You **must** enter your SSN(s) above.

	Yes	No
Presidential Election Campaign Fund (See page 20.)		
Do you want $3 to go to this fund?	✓	
If a joint return, does your spouse want $3 to go to this fund?	✓	

Note. Checking "Yes" will not change your tax or reduce your refund.

Filing status

Check only one box.

1 ☐ Single
2 ☑ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here. ▶ ____
4 ☐ Head of household (with qualifying person). (See page 21.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ ____
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 22.)

Exemptions

6a ☑ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a
b ☑ **Spouse**

No. of boxes checked on 6a and 6b: 2

c **Dependents:**

If more than seven dependents, see page 22.

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 23)
			☐
			☐
			☐
			☐
			☐
			☐
			☐

No. of your children on 6c who:
- lived with you ____
- did not live with you due to divorce or separation (see page 24) ____

Dependents on 6c not entered above ____

d Total number of exemptions claimed

Add numbers entered on lines above: 2

Income

Attach Copy B of your Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 25.

Enclose, but do not staple, any payment.

7	Wages, salaries, tips, etc. Attach Form(s) W-2.	7	18706 00
8a	**Taxable** interest. Attach Schedule 1 if required.	8a	50 00
b	**Tax-exempt** interest. DO NOT include on line 8a. 8b		
9	Ordinary dividends. Attach Schedule 1 if required.	9	
10a	Total IRA distributions 10a / **10b** Taxable amount (see page 25).	10b	
11a	Total pensions and annuities 11a / **11b** Taxable amount (see page 26).	11b	
12	Unemployment compensation, qualified state tuition program earnings, and Alaska Permanent Fund dividends.	12	
13a	Social security benefits 13a / **13b** Taxable amount (see page 28).	13b	
14	Add lines 7 through 13b (far right column). This is your **total income.** ▶	14	18756 00

Adjusted gross income

15	IRA deduction (see page 30). 15		
16	Student loan interest deduction (see page 30). 16		
17	Add lines 15 and 16. These are your **total adjustments.**	17	
18	Subtract line 17 from line 14. This is your **adjusted gross income.** ▶	18	18756 00

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 53. Cat. No. 11327A Form **1040A** (1999)

Form 1040A (1999) Page 2

Taxable income	19	Enter the amount from line 18.		19	18,756 | 00
	20a	Check if: ☐ **You** were 65 or older ☐ Blind ☐ **Spouse** was 65 or older ☐ Blind } **Enter number of boxes checked** ▶ 20a ☐			
	b	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here . . . . ▶ 20b ☐			
	21	Enter the **standard deduction** for your filing status. **But** see page 33 if you checked any box on line 20a or 20b **OR** if someone can claim you as a dependent. ● Single—$4,300 ● Married filing jointly or Qualifying widow(er)—$7,200 ● Head of household—$6,350 ● Married filing separately—$3,600		21	7200 | 00
	22	Subtract line 21 from line 19. If line 21 is more than line 19, enter -0-.		22	11,556 | 00
	23	Multiply $2,750 by the total number of exemptions claimed on line 6d.		23	5500 | 00
	24	Subtract line 23 from line 22. If line 23 is more than line 22, enter -0-. This is your **taxable income.** ▶		24	6056 | 00
Tax, credits, and payments	25	Find the tax on the amount on line 24 (see page 34).		25	911 | 00
	26	Credit for child and dependent care expenses. Attach Schedule 2. 26			
	27	Credit for the elderly or the disabled. Attach Schedule 3. 27			
	28	Child tax credit (see page 35). 28			
	29	Education credits. Attach Form 8863. 29	911 | 00		
	30	Adoption credit. Attach Form 8839. 30			
	31	Add lines 26 through 30. These are your **total credits.**		31	911 | 00
	32	Subtract line 31 from line 25. If line 31 is more than line 25, enter -0-.		32	0
	33	Advance earned income credit payments from Form(s) W-2.		33	
	34	Add lines 32 and 33. This is your **total tax.** ▶		34	0
	35	Total Federal income tax withheld from Forms W-2 and 1099. 35	238 | 00		
	36	1999 estimated tax payments and amount applied from 1998 return. 36			
	37a	**Earned income credit.** Attach Schedule EIC if you have a qualifying child. 37a	12 30 | 00		
	b	Nontaxable earned income: amount ▶ and type ▶			
	38	Additional child tax credit. Attach Form 8812. 38			
	39	Add lines 35, 36, 37a, and 38. These are your **total payments.** ▶		39	1468 | 00
Refund Have it directly deposited! See page 47 and fill in 41b, 41c, and 41d.	40	If line 39 is more than line 34, subtract line 34 from line 39. This is the amount you **overpaid.**		40	1468 | 00
	41a	Amount of line 40 you want **refunded to you.**		41a	1468 | 00
	▶ b	Routing number ☐☐☐☐☐☐☐☐☐ ▶ **c** Type: ☐ Checking ☐ Savings			
	▶ d	Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐			
	42	Amount of line 40 you want **applied to your 2000 estimated tax.** 42			
Amount you owe	43	If line 34 is more than line 39, subtract line 39 from line 34. This is the **amount you owe.** For details on how to pay, see page 48.		43	
	44	Estimated tax penalty (see page 48). 44			

Sign here

Joint return? See page 20.
Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature: Charles D. Whitney	Date: 2/3/00	Your occupation: student	Daytime telephone number (optional): ( ) [redacted]
Spouse's signature. If joint return, BOTH must sign: Hope P. Whitney	Date: 2/3/00	Spouse's occupation: receptionist	

Paid preparer's use only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address ▶			EIN :
			ZIP code

Form **1040A** (1999)

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2000-2001 Verification Working Paper

Student: ____________________ SS#: ________________ Dep. Status: ______

Tax Returns Filed	*Student/Spouse (circle one):*	*1040, 1040A, 1040EZ, Other, None filed*
	Parent(s) (circle one):	1040, 1040A, 1040EZ, Other, None filed

Item (SAR #)	Amount on Output Document	Amount Verified (Source)	Match?		
			Yes	No	N/A
Household Size (65/86)		(Worksheet)			
# in College (66/86)		(Worksheet)			
Student/Spouse AGI (40)		(1040-33, A-18, EZ-4)			
Student/Spouse Income Tax Paid (41)		(1040-49, A-32, EZ-9)			
Student/Spouse EIC (43)		(1040-59(a), A-37(a), EZ-8(a))			
Parent AGI (74)		(1040-33, A-18, EZ-4)			
Parent Income Tax Paid (75)		(1040-49, A-32, EZ-9)			
Parent EIC (77)		(1040-59(a), A-37(a), EZ-8(a))			
Non-Filers Only					
Student Earnings (44)		(W2)			
Spouse Earnings (45)		(W2)			
Father Earnings (78)		(W2)			
Mother Earnings (79)		(W2)			
Data from Worksheets A & B - Untaxed Income & Exclusions from Income (list and verify items that apply)					

Net Error = $____________ Verification Status Code: N A W T C R S Verification Performed By: ____________________ Date: ____________	Notes:

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Step Two: Determine the Need for Corrections

If there are no errors, **then** disburse aid as planned.

If there are errors with nondollar items, **then** you must submit corrections.

If there are errors with dollar items, **then** check net error.

If the *net error* is less than or equal to $400, **then** you can go forward and award aid without recalculating the EFC or submitting corrections to the CPS.

If the net error exceeds $400, **then** you must either send the corrections in to the CPS or recalculate the EFC by hand.

Determining Net Error

A = AGI (line 40)+ EIC (line 43) + untaxed income (Worksheet A or line 46) from the SAR. $__________

B = Income tax paid (line 41) + exclusions from income (Worksheet B or line 47) from the SAR. $__________

C = A - B = $__________ (total from SAR)

D = AGI (line 18) + EIC (line 37a) from the 1040A tax return + untaxed income from the Verification Worksheet. $__________

E = Income tax paid (line 32) from the 1040A + exclusions from income (line 29) from the 1040A. $__________

F = D - E = $__________ (total verified)

The difference between C and F = Net Error = $__________

Verification Status Codes

N - Not selected

A - Accurate

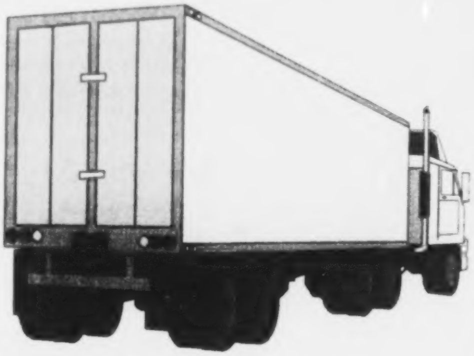
W - Without Documentation

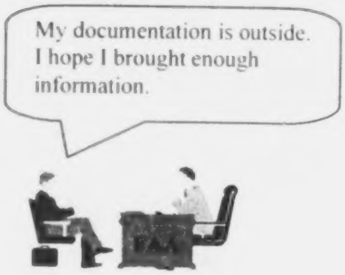
T - Tolerance

C - Calculated

R - Reprocessed

S - Selected, Not Verified




My documentation is outside. I hope I brought enough information.
FAA

Payment Issues - Federal Pell Grants

School recalculates EFC by hand, EFC decreases, and Pell award increases:

- *may make first payment to student (but not required)*
- *no further payments until official EFC received from CPS*

School recalculates EFC by hand, EFC increases, and Pell award decreases:

- *no payments to student until official EFC received from CPS*

Payment Issues - Campus-Based, Direct Loan, and FFEL

School recalculates EFC by hand, EFC changes, and award changes:

- *may make payments to students*
- *no reprocessing required,* BUT *school liable for overpayments if error*
- *carefully document the recalculation, either hard copy or electronically and retain in the student's file*

Checkpoint #2 – Payments and Corrections

Circle the correct answer(s).

The Sumner School of Law verifies a student and finds an error in the student's data. The student's household size is 5, although the ISIR identifies 6. There are no dollar errors. The school must:

a) pay the student (don't submit correction)
b) submit the correction (don't pay student)
c) recalculate the student's EFC first; then decide whether or not to submit the correction

Harvey Education Institute verifies a student and finds some dollar errors. The net amount of the errors exceeds $400.

Which of the following are true regarding the student's Pell award?

a) The school can recalculate the EFC to see if the Pell amount changes.
b) If the Pell amount increases, the school must submit the corrections to the CPS.
c) If the Pell amount decreases, the school must submit the corrections to the CPS.
d) If the Pell amount does not change, the school still must submit the corrections to the CPS.

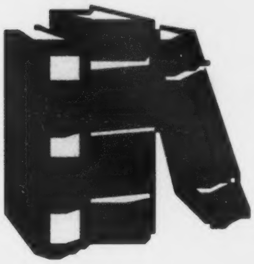
Which of the following are true regarding the student's Perkins award?

a) The school can recalculate the EFC to see if the Perkins amount changes.
b) If the Perkins amount increases, the school must submit the corrections to the CPS.
c) If the Perkins amount decreases, the school must submit the corrections to the CPS.
d) If the Perkins amount does not change, the school must submit the corrections to the CPS.

Signature Requirements for Application and Verification Information

		Application *(FAFSA, FOTW, EDE, FAFSA Express)*	*IRS Forms* *1040 or other form submitted for verification*	*Verification Worksheet*
General Req's	**Student**	Must sign statement that data are accurate (on application, echo document, or signature page or by use of EAC)	Tax return must be signed by student (or spouse) or by the tax preparer (or preparer's stamp)	Must sign worksheet
	Parent(s) (if student is dependent)	One parent must sign statement that data are accurate (on application, echo document, or signature page)	Tax return must be signed by one parent or by the tax preparer (or preparer's stamp)	One parent must sign
	FAA	Must certify if dependency override is performed		

		SAR *to be submitted for corrections*	*EDE* *corrections*	*Professional Judgment* *on SAR or through EDE*
Additional Pell Req's	**Student**	Must sign corrections statement on Part 2 of SAR	School must have signed documentation	
	Parent(s) (if student is dependent)	One parent must sign the corrections statement on Part 2 of the SAR	School must have signed documentation	
	FAA			Must certify for adjustments or dependency override



Resources

- ★ *Federal Student Financial Aid Handbook: Student Eligibility Reference, Chapter 8, pages 179-204*
- ★ *Federal Student Financial Aid Handbook: Student Eligibility Reference, Chapter 9, pages 205-213*
- ★ *34 CFR 668.16(f)*
- ★ *34 CFR 668.51-60*
- ★ *34 CFR 690.61*

Answer Key

Checkpoint #1 - 30%

Sumner School of Law: **1,000 applicants must be verified**

Harvey Education Institute: **30 applicants must be verified**

Checkpoint #2 – Corrections

Sumner School of Law:
b is correct

Harvey Education Institute:
Pell: **a, b, and c are correct**
Perkins: **a is correct**

2000-2001 Verification Working Paper

Student: **Charles Whitney** SS#: **987-65-4321** Dep. Status: **Ind.**

Tax Returns Filed:

Student/Spouse (circle one): 1040, [✓ 1040A] 1040EZ, Other, None filed

Parent(s) (circle one): 1040, 1040A, 1040EZ, Other, None filed

Item (SAR #)	Amount on Output Document	Amount Verified (Source)	Match?		
			Yes	No	N/A
Household Size (65/86)	3	4 (Worksheet)		X	
# in College (66/86)	2	2 (Worksheet)	X		
Student/Spouse AGI (40)	$19,000	$18,756 (1040-33, A-18, EZ-4)		X	
Student/Spouse Income Tax Paid (41)	$0	$0 (1040-49, A-32, EZ-9)	X		
Student/Spouse EIC (43)	$1,230	$1,230 (1040-59(a), A-37(a), EZ-8(a))	X		
Parent AGI (74)		(1040-33, A-18, EZ-4)			
Parent Income Tax Paid (75)		(1040-49, A-32, EZ-9)			
Parent EIC (77)		(1040-59(a), A-37(a), EZ-8(a))			
Non-Filers Only					
Student Earnings (44)		(W2)			
Spouse Earnings (45)		(W2)			
Father Earnings (78)		(W2)			
Mother Earnings (79)		(W2)			
Data from Worksheets A & B - Untaxed Income & Exclusions from Income (list and verify items that apply)					
Child Support	$200	$2,400 (verif. worksheet)		X	
Educ. Tax Credits	$0	$911 (1040A, line 29)		X	

Net Error = $ **1,045**

Verification Status Code: N A W T C [✓ R] S

Verification Performed By:

Date:

Notes:

Session 7

Your School and The Funds

Questions we will answer during this session:

How does a school show institutional eligibility?

How does a school show financial responsibility?

What are the main cash management rules a school must follow?

How does a school show administrative capability?

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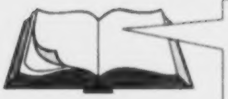
How does a school show institutional eligibility?

<table>
<tr><th colspan="3">ELIGIBLE SCHOOL DEFINITIONS</th></tr>
<tr><th>Institution of Higher Education</th><th>Proprietary Institution of Higher Education</th><th>Postsecondary Vocational Institution</th></tr>
<tr><td colspan="3">ELIGIBLE FOR ALL SFA PROGRAMS</td></tr>
<tr><td>Control: A public or private nonprofit educational institution located in a state.*</td><td>Control: A private, for-profit educational institution located in a state.*</td><td>Control: A public or private nonprofit educational institution located in a state.*</td></tr>
<tr><td colspan="3">Legal authorization: Is legally authorized by the state where it offers postsecondary education to provide a postsecondary educational program.
Accreditation: Is accredited by a nationally recognized accrediting agency or has met the alternative requirements.
Admissions: Admits as regular students only persons with a high school diploma or its recognized equivalent, or persons beyond the age of compulsory attendance in the state where the institution is located.</td></tr>
<tr><td>Program offered:
Provides
(1) an associate, baccalaureate, graduate, or professional degree, or
(2) at least a two-year program that is acceptable for full credit toward a bachelor's degree, or
(3) at least a one-year training program that leads to a degree or certificate (or other recognized educational credential) and prepares students for gainful employment in a recognized occupation.</td><td colspan="2">Program offered: Must provide training for gainful employment in a recognized occupation, and must meet the criteria of at least one category below.
(1) Provides at least a 15-week (instructional time) undergraduate program of 600 clock hours, 16 semester or trimester hours, or 24 quarter hours. May admit students without an associate degree or equivalent.
(2) Provides at least a 10-week (instructional time) program of 300 clock hours, 8 semester or trimester hours, or 12 quarter hours. Must be a graduate/professional program, or must admit only students with an associate degree or equivalent.
(3) Short-term Program. Provides at least a 10-week (instructional time) undergraduate program of 300-599 clock hours. Must admit at least some students who do not have an associate degree or equivalent, and must meet specific qualitative standards (see page 3-12). Note: These programs are eligible only for FFEL and Direct Loan participation.</td></tr>
<tr><td></td><td colspan="2">Two-year Rule: Has been legally authorized to give (and has been giving) postsecondary instruction for at least two consecutive years.</td></tr>
</table>



All of the following excerpts are from *FSFSA Handbook: Institutional Eligibility and Participation*

HANDBOOK HIGHLIGHTS

CONTROL AND LEGAL AUTHORIZATION

The "control" of an institution distinguishes whether the school is public or private, nonprofit or for-profit. Under the institutional definitions, an "institution of higher education" or a "postsecondary vocational institution" can be either public or private, but is always nonprofit. A "proprietary institution of higher education" is always a private, for-profit institution.

A nonprofit institution:

- is owned and operated by one or more nonprofit corporations or associations whose net earnings do not benefit any private shareholder or individual,
- is legally authorized to operate as a nonprofit organization by each state in which it is physically located, and
- is determined by the Internal Revenue Service to be eligible for tax-deductible contributions.

ACCREDITATION

Generally, an institution must be accredited by a nationally recognized accrediting agency to be eligible. The Department has published regulations governing the procedures and criteria for recognizing accrediting agencies. For more information, see the Accreditation regulations (34 CFR Part 602). The Department periodically publishes a list of recognized accrediting bodies in the *Federal Register*, based on criteria given in 34 CFR Part 602. Copies of this list are also available from the:

U.S. Department of Education
Accreditation and Eligibility Determination Division
600 Independence Ave. SW, Room 3012 (ROB-3)
Washington, DC 20202-5244

Information is available on-line at
http://www.ed.gov/offices/OPE/pubs/accred

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HANDBOOK HIGHLIGHTS

ADMISSIONS STANDARDS

An eligible institution may admit as regular students only persons who have a high school diploma or its recognized equivalent, or persons who are beyond the age of compulsory school attendance in the state in which the school is located.

Regular student : A person who is enrolled (or is accepted for enrollment) in an eligible program for the purpose of obtaining a degree, certificate, or other recognized educational credential.

Students who are beyond the age of compulsory attendance but who do not have a high school diploma or its recognized equivalent must meet ability-to-benefit criteria to be eligible for aid from the SFA Programs. (For more information on this student eligibility requirement, see *FSFSA Handbook: Student Eligibility* under "Ability to Benefit.")

PROGRAM ELIGIBILITY REQUIREMENTS

To qualify as an eligible institution, a school must offer at least one eligible program. As stated previously, not all programs at an eligible institution will necessarily be eligible, but at least one of the programs at the school must meet the eligible program requirements.

Generally, a student must be enrolled in an eligible program to receive SFA funds. Because a school's eligibility does not necessarily extend to all its programs, the school must ensure that a program is eligible *before* awarding SFA funds to students in that program. The school is ultimately responsible for determining that a program is eligible. In addition to determining that the program meets the eligible program definition, the school should make certain that the program is included under the notice of accreditation from a nationally recognized accrediting agency (unless the agency does not require that particular programs be accredited). The school should also make certain that it is authorized by the appropriate state agency to offer the program (if the state licenses individual programs at postsecondary institutions).

THE 90/10 RULE (formerly the 85/15 Rule)

To be eligible for SFA participation, a proprietary institution may derive no more than 90% of its revenues from the SFA Programs. As specified in 34 CFR 600.5(d), a school must determine its revenue percentages using the following formula:

$$\frac{\text{SFA Program funds (except LEAP or FWS) used for tuition, fees, and other institutional charges to students}}{\text{The sum of revenues generated by the school from: (1) tuition, fees, and other institutional charges for students enrolled in eligible programs; plus (2) school activities* necessary for the education or training of students enrolled in those eligible programs}}$$

*to the extent not included in tuition, fees, and other institutional charges

In determining whether a school satisfies the 90/10 Rule, the totals used in the fraction do *not* include refunds paid to or on behalf of students who have withdrawn, dropped out, been expelled, or otherwise failed to complete the period of enrollment. Charges for books, supplies, and equipment are not included in the fraction unless the amount is part of the tuition, fees, or other institutional charges.

CORRESPONDENCE COURSE LIMITATION (50% RULE)

An otherwise eligible institution is *not* eligible for SFA Program participation if, during the school's latest complete award year, more than 50% of its *courses* are taught through correspondence.

Telecommunications Course: A course offered principally through television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave, satellite, or audio or computer conferences. (Includes video courses if students physically attending the school also receive the video course in the same award year.)

Correspondence Course: A home study course provided to students who are not physically attending classes at the school; a course that is part residential and part correspondence. (Includes video courses unless students physically in attendance at the school receive the same video instruction in the same award year.)

Changes Requiring ED Approval

To report a change in...	Use...
Accrediting agency*	Question 15
State authorizing agency	Question 17
Institutional structure	Question 18
Educational programs outside the scope of your current approval	Question 26
Addition of non-degree programs outside the scope of your current approval	Question 27
Changing from or to clock or credit hours	Question 27
Addition of a location	Question 30
Federal student financial aid programs for which you are approved**	Question 37
For for-profit institutions only	
Type of ownership	Question 22
Ownership	Question 24

*Notify us BEFORE making ANY change that deals with your institution-wide accreditation. We will advise you on how to proceed.

**Approvals from your accrediting agency and state authorizing agency are NOT required for this change.

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Report ALL changes to ED
http://eligcert.ed.gov

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Changes Not Requiring ED Approval

To report a change in...	Use...
Name of institution[*]	Question 2
Name of CEO/president/chancellor	Question 10
Name of chief fiscal officer/financial officer	Question 11
Principal location–address change only[*]	Question 29
Other locations–address change only[*]	Question 29
Third-party servicers that deal with federal student financial aid	Question 58
For private nonprofit and for-profit institutions (NOT public institutions)	
Board of directors (but NOT trustees)	Question 20
For foreign schools only (including foreign graduate medical schools)	
Postsecondary authorization	Question 42
Degree authorization	Question 43
Program equivalence	Question 44
Program criteria	Question 45
U.S. administrative and/or recruitment offices	Question 46
For foreign graduate medical schools only	
Facility at which you provide graduate medical instruction	Question 47
Authorizing entity	Question 48
Approval of authorizing entity	Question 49
Length of program	Question 50
Programs located in the U.S.	Question 51

---

[*] As soon as you have received approvals for the change from your accrediting agency and state authorizing agency, you must send us copies of the approvals for the change. We expect that within 30 days after we receive all of your information, either we will send you a letter of acknowledgement or we will ask you to submit a new application.

Checkpoint #1 – Institutional Eligibility

Mark "Yes" for each school that would qualify for Title IV based on the information given. Mark "No" for each school that would not qualify for Title IV.

1) The school offers nothing but correspondence courses.

☐ Yes ☐ No

2) The school admits students with GEDs.

☐ Yes ☐ No

3) The school derives 75% of its revenues from Title IV funds.

☐ Yes ☐ No

4) The school is in its 3rd year of offering postsecondary instruction.

☐ Yes ☐ No

5) The school reports all changes to ED electronically within 30 days.

☐ Yes ☐ No

How does a school show financial responsibility?

Title IV Financial Responsibility Standards

All Schools

A school is financially responsible if it meets the following criteria:

Provides all services described in its official publications and statements*

Provides administrative resources necessary to comply with requirements for participating in Title IV programs*

Meets all of its financial obligations,* including payment of

- required refunds to students and
- liabilities and debts to ED

Is current in paying any institutional debts*

Posts an irrevocable cash reserve, acceptable and payable to ED, equal to at least 25% of the total amount of Title IV program refunds paid by the school in the previous fiscal year**

Does not have as part of its most recent audit report*

- a statement expressing substantial doubt of the school's ability to continue as a going concern or
- a disclaimed or adverse opinion by the accountant

The individual who exercises significant control over the school does not owe a liability for a Title IV program violation, unless the school and the individual owing the liability meet the provisions of 668.15(d)(4)

Has not been limited, suspended, or terminated or has not entered into a settlement agreement to resolve a limitation, suspension, or termination within the preceding 5 years

Was not required to repay an amount greater than 5% of Title IV funds received for an award year as a result of findings during its 2 most recent program reviews or audits

Was not cited during the preceding 5 years for failure to submit acceptable audit reports in a timely manner

Did not fail to resolve satisfactorily any compliance problems identified during a program review or audit

If a For-Profit Institution*

Maintains an acid-test ratio of 1:1 in terms of the school's cash (excluding any irrevocable line of credit requested by ED) and current receivables to current liabilities, **and**

Has not had operating losses in either or both of its past 2 fiscal years that in sum have resulted in more than a 10% reduction in the school's tangible net worth, **and**

Has a positive tangible net worth for its most recent fiscal year,

OR

Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

If a Nonprofit Institution*

Demonstrates at the end of its most recent fiscal year an acid-test ratio of 1:1 in terms of the school's cash and current receivables to current liabilities, **and**

(1) Has at the end of its most recent fiscal year a positive unrestricted current fund balance or positive unrestricted net asset or

(2) Has not had an excess of current fund expenditures greater than current fund revenues during the past 2 fiscal years that have resulted in more than 10% reduction in the school's unrestricted current fund balance or unrestricted net assets

OR

Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

If a Public Institution*

(Needs to meet only one of the following)

Has its liabilities backed by the full faith and credit of the state or other equivalent government entity, or

Has a positive unrestricted current fund balance, if reporting under the Single Audit Act, or

Has a positive unrestricted current fund balance in the state's higher education fund as presented in the general purpose financial statements, or

Submits documentation from the state auditor general that it has met all of its financial obligations during the past year and has sufficient resources to meet all of its financial obligations

OR

Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

---

* A school may be considered financially responsible even if the school fails to meet this standard if the school submits to ED an irrevocable letter of credit of not less than one-half the Title IV program funds received by the school for an award year or the school is able to establish that it has sufficient resources to ensure against its precipitous closure.

** This standard does not apply if the school:

1. is located in a state that has a tuition-recovery plan that is acceptable to ED, and the school contributes to that tuition-recovery fund;
2. has its liabilities backed by the full faith and credit of the state or by an equivalent governmental entity; or
3. demonstrates to ED that for each of the two most recently completed fiscal years it has made timely refunds to students and has met all of the financial responsibility standards.

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What are the main cash management rules a school must follow?

Maintaining Title IV Funds

Bank or Investment Account

- Schools must maintain Title IV funds in a bank or investment account that is federally insured or secured by collateral of value that is the reasonable equivalent of the amount of those funds.
- Schools participating in the Federal Perkins Loan Program must establish and maintain a Federal Perkins Loan Fund.
- Federal Perkins Loan Fund must be maintained in an interest-bearing bank account or investment account consisting predominately of low-risk, income-producing securities.
- Schools must maintain Federal Pell Grant, campus-based, and Direct Loan Program funds in an interest-bearing or investment account (except Federal Perkins Loan funds) unless the schools:
  - Drew down less than $3 million in the prior award year and anticipate that they will not draw down more than $3 million in the current award year;
  - Can demonstrate by their cash management practices that they will not earn more than $250 on those funds during the award year; or
  - Will use the just-in-time payment method to request Title IV funds.
- Schools must identify clearly that Title IV funds are maintained in each bank or investment account that contains Title IV funds. To comply, schools must:
  - Include the phrase "Federal Funds" in each account name; or
  - Notify the bank or investment company of the accounts that contain Title IV funds and retain a record of that notice **and**, unless the school is a public institution, file a UCC-1 statement disclosing that the account contains federal funds.

Separate Accounts

- Schools are no longer required to maintain FFEL Program funds in separate accounts under 34 CFR 682.207(b).
- ED may require schools to maintain all Title IV funds, including FFEL Program funds, in a separate bank or investment account containing no other funds if ED determines that schools failed to comply with:
  - Title IV cash management requirements;
  - Title IV recordkeeping and reporting requirements; or
  - Applicable program regulations.

Maintaining Title IV Funds

Separate Accounts (cont'd)

- If schools are not required to maintain separate accounts and choose not to maintain Title IV funds in separate accounts, they must maintain accounting and internal control systems that identify the:
  - Cash balance of each Title IV program included in a school' s bank or investment account as readily as if those program funds were maintained in a separate account; and
  - Earnings on Title IV program funds maintained in a school' s bank or investment account.

Treatment of Earnings on Title IV Program Funds

- Schools that maintain Federal Pell Grant, FSEOG, FWS, and Direct Loan Program funds in an interest-bearing or investment account may keep the initial $250 earned on those funds during an award year. By June 30 of each award year, the schools must remit to ED all earnings that exceed a total of $250 on those Title IV funds.
- For Federal Perkins Loan Program Funds, any interest or income earned on a fund is retained by the schools as part of the fund.

When Credit Balances Must Be Paid

No later than 14 calendar days after the first day of class of a payment period if the credit balance occurred *on or before* the first day of that payment period.

Example A

Day Credit Balance Occurred	First Day of Classes	14 Days After First Day of Classes of Payment Period
September 6, 2000	September 11, 2000	September 25, 2000

No later than 14 calendar days after the balance occurred if the credit balance occurred *after* the first day of a payment period.

Example B

First Day of Classes	Day Credit Balance Occurred	14 Days After Credit Balance Occurred
September 10, 2000	September 20, 2000	October 4, 2000

No later than 14 calendar days after the date the student or parent rescinds the authorization for the school to hold funds.

Credit Balance Question

On January 2nd, Hale University receives $6,300 of Title IV funds on behalf of Juan, a junior. Juan's tuition and fees total $5,500. He is living at home and commuting to school. The payment period begins on January 10th Hale U. credits Juan's school account on January 3rd

1) What is the amount of the Title IV credit balance? _____

2) By what date must the school disburse the credit balance to Juan? _____

MANAGING CA$H MANAGEMENT

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

The beginning of the payment period at your school is Monday, September 15th Please fill in the dates for the following events:

1) The earliest you can request Pell Grant money is _______.

2) The earliest you can disburse Pell Grant money is _______.

3) The date by which you must pay Student A her Title IV credit balance, which occurs on September 13th, is _______.

4) The date by which you must pay Student B his credit balance, which occurs on September 15th, is _______.

5) If you receive your Title IV funds on Friday, September 12th, the date by which you must disburse those funds is _______.

Fill in the blanks below:

6) You can request Title IV funds via the Internet using _______.

7) _______ is an additional system used for Pell.

8) The most interest on Title IV a school can keep is _______ per award year.

How must a school show administrative capability?

Title IV Administrative Capability Standards

A school is administratively capable if it:

- administers Title IV programs in accordance with all Title IV requirements;
- designates a capable individual to be responsible for administering Title IV programs;
- has adequate staffing for administering Title IV programs;
- communicates to the individual responsible for administering Title IV programs all information that bears on a student's Title IV eligibility;
- has written procedures for administering Title IV programs;
- administers Title IV programs with adequate checks and balances in its system of internal controls;
- divides the functions of authorizing Title IV payments and disbursing/delivering Title IV funds so that the functions are carried out by at least two (2) organizationally independent individuals;
- establishes and maintains required Title IV records;
- for purposes of determining student eligibility for Title IV assistance: establishes, publishes, and applies reasonable standards for measuring whether a student is maintaining satisfactory academic progress in completing his/her educational program;
- develops an adequate system for resolving discrepancies in information related to a student's application for Title IV assistance;
- refers to ED's Office of Inspector General information indicating when an applicant for financial aid, employee, or agent of the school might have engaged in fraud or other criminal misconduct in connection with Title IV programs;
- provides adequate financial aid counseling to Title IV Program applicants;
- submits all required Title IV program reports in a timely manner, including required fiscal reports and financial statements;
- does not demonstrate any significant problems in its ability to administer Title IV programs;
- does not have any individual affiliated with the school who is/has been debarred or suspended or is engaging in any activity that is cause for suspension or debarment under Executive Order 12549 or the Federal Acquisition Regulation;
- for a school that seeks initial participation in a Title IV program: does not have more than 33% of its students withdraw during an academic year;
- has a cohort default rate* of less than 25% under the Federal Family Education Loan Program and/or Direct Loan Program for each of the three (3) most recent fiscal years and equal to or less than 15% under the Federal Perkins Loan Program; and
- does not appear to lack the ability to administer Title IV programs competently.

*If a school is determined not to be administratively capable on the basis of this standard only, ED will provisionally certify the school's participation in Title IV programs.

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Financial Aid Calendar

This Financial Aid Calendar was developed to help financial aid administrators identify when deadlines must be met and when they can expect to receive certain items from the U.S. Department of Education (ED).

The 1999-00 Federal Student Financial Aid Handbook and regulations provide more specific information.

Keep in mind that regulations governing the federal student financial aid programs are often amended. You will find it necessary to update and revise your calendar as you receive notices of any changes.

Each institution must determine the most effective way to operate its financial aid office. Because schools vary in the size and scope of their financial aid programs, there is no one best way to administer a financial aid office. Nevertheless, due to many requests for guidelines to follow throughout the year, especially from schools that are new to Title IV programs, ED offers the following suggestions.

Managing a financial aid office:

- Provide adequate staff to ensure a proper division of responsibilities.
- Define staff roles.
- Develop and maintain a policies and procedures manual.
- Establish and maintain a file of ED-issued "Dear Colleague" letters.
- Maintain an up-to-date collection of statutory and regulatory requirements for managing Title IV programs.
- Maintain a library of resource materials, including the *Audit Guide*, *The 1999-00 Federal Student Financial Aid Handbook*, and *The Blue Book (Spring '99)*.

Staff-related functions:

- Identify training opportunities, such as those provided by ED and professional associations. Determine staff members from various offices (business office, financial aid office, and so on) who should attend these training workshops.
- Plan for regularly scheduled staff meetings and in-house training.
- Schedule vacations so that appropriate staff members are available during critical periods.

Scheduling:

- Determine due dates for any internal financial aid reports, for reports due to federal and state agencies, and for any scholarship reports.
- Determine specific deadlines your school must meet.
- Coordinate activities with related school offices, such as the admissions office and business office.
- Determine when to develop the upcoming year's financial aid calendar.

Audits and self-evaluation:

- Identify time frames for required audits and any optional self-evaluations.
- Conduct documentation reviews of student files for compliance.

Forms and brochures:

- Review and update all institutional brochures and consumer information regularly. Remember to allow time for printing.

- Request or produce necessary financial aid forms in a timely manner to assure adequate supplies.
- Publish deadlines and priority dates by which applicants must complete and return all student financial aid forms and documentation.

Letters and reminders:

- Determine dates for mailing out award letters, if applicable.
- Identify dates to send out various types of reminders and notices to students about loan counseling sessions.
- Determine dates for sending any necessary forms or reports to ED.

Arranging interviews and counseling:

- Schedule group sessions for students interested in financial aid.
- Schedule entrance and exit loan counseling for Federal Perkins, Federal Family Education Loan (FFEL), and Federal Direct Loan borrowers.
- Schedule interviews for verification, when necessary.

Satisfactory academic progress:

- Determine the borrower's satisfactory academic progress before making each Title IV disbursement (except FWS).
- If necessary, send letters, schedule interviews, and/or determine specific times when appeals will be considered.

Campus-based programs:

- Update the ED-required lobbying disclosure form quarterly, if necessary.
- Reconcile monthly campus-based fiscal operations.
- Federal Work-Study:

  Locate student job positions on campus and off campus, as needed.

  Determine times for reconciling FWS payroll.

  Coordinate FWS payroll activities (determine who is responsible for placing students, submitting time sheets, and monitoring earnings).

Federal Pell Grants:

- Determine which staff will create and submit Pell Grant origination and disbursement records to RFMS.
- Amend reporting on expected disbursements, as necessary, for students who have withdrawn or graduated.
- Schedule meetings with the business office to make sure program refunds are made within a 30-day period and that the Student Payment Summary (final report) agrees with the final general ledger and Fiscal Operations Report and Application to Participate (FISAP).
- If disbursement records need to be updated, reconcile internal Pell Grant disbursement records monthly (for example, existing records need corrections because students have withdrawn from school or new Pell Grant recipients need to be reported).

Direct Loans:

- Reconcile monthly.
- Review error reports.

JULY*

- Beginning of new federal student financial aid award year.
- Deadline for institutions to send reallocation forms to ED to release previous year's unexpended balances for campus-based programs.
- ED issues current year's Federal Perkins Loan teaching-service cancellation reimbursements to institutions.
- Schools must report to ED if their percentage of correspondence, incarcerated, or ability-to-benefit students or their correspondence courses exceed applicable limits.

* Specific dates can vary from year to year.

AUGUST*

- The previous year's FISAP in the Federal Perkins Loan, FSEOG, and FWS Programs and drug-free workplace, anti-lobbying, and debarment certification forms are distributed to institutions by ED.
- Deadline for a student undergoing verification to submit a reprocessed Student Aid Report (SAR) or Institutional Student Information Record (ISIR) for the previous year to the financial aid office.
- ED disseminates the current year directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.
- Federal Perkins Loan participant schools must submit annual Safeguard Activity Reports to maintain eligibility to participate in the Internal Revenue Service (IRS)/ED skip-tracing service.

* Specific dates can vary from year to year.

SEPTEMBER*

- ED publishes Fall Financial Aid Training Calendar.
- Publish and distribute annual institutional security report.
- Suggested date for institutions of higher education (IHEs) to submit drug-prevention certifications to ED, if applicable.
- Last date for upcoming year's electronic FISAP transmission and postmark for signed drug-free workplace, anti-lobbying, and debarment certifications.
- Supplemental allocations for current year's campus-based programs distributed to participating schools.

* Specific dates can vary from year to year.

OCTOBER*

- Upcoming year's FISAP due.
- Deadline for an institution to certify to ED that it has adopted and implemented a program to prevent the illicit use of drugs and the abuse of alcohol by students and employees.
- Deadline for ED's receipt of the previous year's Paul Douglas Teacher Scholarship Program Performance Report.
- Equity in Athletics Disclosure Act (EADA) report due. (This must be made available to the public, but submission to ED is required only if requested by ED.)

* Specific dates can vary from year to year.

NOVEMBER*

- Upcoming year's Renewal FAFSA and instructions scheduled for distribution to students.
- Upcoming year's Free Application for Federal Student Aid (FAFSA) forms and instructions scheduled for distribution to institutions.
- Institutions receive previous year's FISAP edits and computer printouts.

* Specific dates can vary from year to year.

DECEMBER*

- School receives procedures for appealing campus-based allocations.
- Deadline for transmitting previous year's FISAP corrections and edits to ED.

* Specific dates can vary from year to year.

JANUARY*

- ED publishes Winter Financial Aid Training Calendar.
- Students begin applying for financial aid for the upcoming academic year.
- Institutions applying for participation in one or more of the campus-based programs for the first time in the upcoming year must submit all documents required for determining eligibility to ED's Case Management and Oversight.

* Specific dates can vary from year to year.

FEBRUARY*

- ED makes the upcoming year's final Pell Grant Payment Schedule available to institutions.
- ED makes the upcoming year's campus-based program funding levels available to institutions.
- Deadline for ED to receive campus-based allocation appeals from schools.

* Specific dates can vary from year to year.

MARCH*

- Final Pell Grant Administrative Cost Allowance payment for previous year mailed to institutions.
- Deadline for institutions to file waiver or appeal of loss of FWS and/or FSEOG on the basis of under utilization.

* Specific dates can vary from year to year.

APRIL*

- Upcoming year's final campus-based allocation letters mailed to institutions.
- ED issues addendum to the upcoming year's directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.

* Specific dates can vary from year to year.

MAY*

- ED publishes Summer Financial Aid Training Calendar.
- Anti-Lobbying Certification forms must be returned to ED by schools with campus-based programs that have allocations exceeding $100,000.

* Specific dates can vary from year to year.

JUNE*

- Deadline for schools to receive a valid SAR or ISIR.
- Deadline for excess Federal Perkins Loan cash on hand to be returned to ED.
- ED issues approval/denial letters for institutional requests for the upcoming year's waivers of Federal Work-Study and FSEOG institutional share requirements.
- Free Application for Federal Student Aid (FAFSAs) for the current award year must be received by the federal processor.

* Specific dates can vary from year to year.

Case Studies

Case Study 1: Gemma Stark

Dave Sutton, the business manager of Winsom Beauty Academy, won the top prize from Publisher's Clearinghouse and cleared out his desk at Winsom giving two hours notice.

George Bright, Winsom's CEO since 1995, was surprised, but he wasn't too concerned about disbursing student aid payments to the new class of 20 students that had just enrolled. The reason: The school's financial aid officer, Gemma Stark, was known to be thoroughly familiar with all of the student aid procedures at the school (she had been there for 10 years longer than George). He called Gemma to his office and said that he would have to ask her to take on the task of writing student checks, along with working up students' award packages, until Dave could be replaced. George assured Gemma that she would receive a nice bonus for this extra work, and said how glad he was to have someone on the staff who could be trusted to handle all of the important Title IV requirements.

What should Gemma reply? Why?

Case Study 2: Minna Lake

Minna Lake has agreed to try something new after many years of successful cello teaching and assumed the job of student aid counselor at Sterling School of Music. Learning of an ED-sponsored Title IV training workshop in the nearest ED regional-office city (about 300 miles away), she asks Strobe Leight, the school's financial aid director, to approve her travel to the workshop.

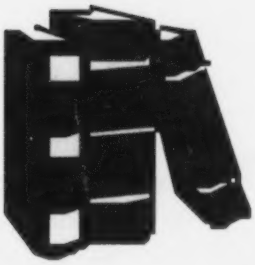
Strobe says, "Minna, I just don't see how we can spare you for four days with the backlog of work that's piled up since Sergio left for the Met. You can go to some training later this year."

Is this a wise decision by Strobe? Why or why not?

Case Study 3: Callie Fahey

"How disappointing that nice young man turned out to be a crook," thought Callie Fahey, Frasker Junior College's financial aid director. Her reaction came after Frank Linn, her counterpart at Sanger Tech, gave her evidence that freshman Jed Hart had used a false name and Social Security number to get Pell Grants at Frasker and Sanger at the same time. "Oh well, he's apparently left town, so it's not my problem any more," she shrugged.

Whose problem is it? Why?
(Hint: Check the Administrative Capability Chart)



Resources

- *Federal Student Financial Aid Handbook: Institutional Eligibility and Participation*
- 34 CFR 668, Subpart K (668.161-167)
- 34 CFR 668.15, 668.16
- Dear Colleague Letter GEN-97-6 (reporting changes)
- Dear Colleague Letter GEN-97-11 (electronic requirements)
- Blue Book

Questions Regarding Participation???

- Refer to the Help Document on electronic application to participate
- Contact ED's Case Management and Oversight.

Contact	Phone	Fax	States served
Boston	(617) 223-9338	(617) 223-4305	CT, ME, MA, NH, RI, VT
New York	(212) 264-4022	(212) 264-5025	NJ, NY, PR, VI
Philadelphia	(215) 656-6442	(215) 656-6497	DE, DC, MD, PA, VA, WV
Atlanta	(404) 562-6315	(404) 562-6321	AL, FL, GA, MS, NC, SC
Chicago	(312) 886-8767	(312) 353-2836	IL, MN, OH, WI
Dallas	(214) 880-3044	(214) 880-2462	AR, LA, NM, OK, TX
Kansas City	(816) 880-4053	(816) 891-0983	IA, KS, KY, MO, NE, TN
Denver	(303) 844-3677	(303) 844-4695	CO, MI, MT, ND, SD, UT, WY
San Francisco	(415) 556-4295	(415) 437-8206	AZ, CA, HI, NV, AS, GU, FM, PW, MH, MP
Seattle	(206) 287-1770	(206) 553-0799	AK, ID, IN, OR, WA

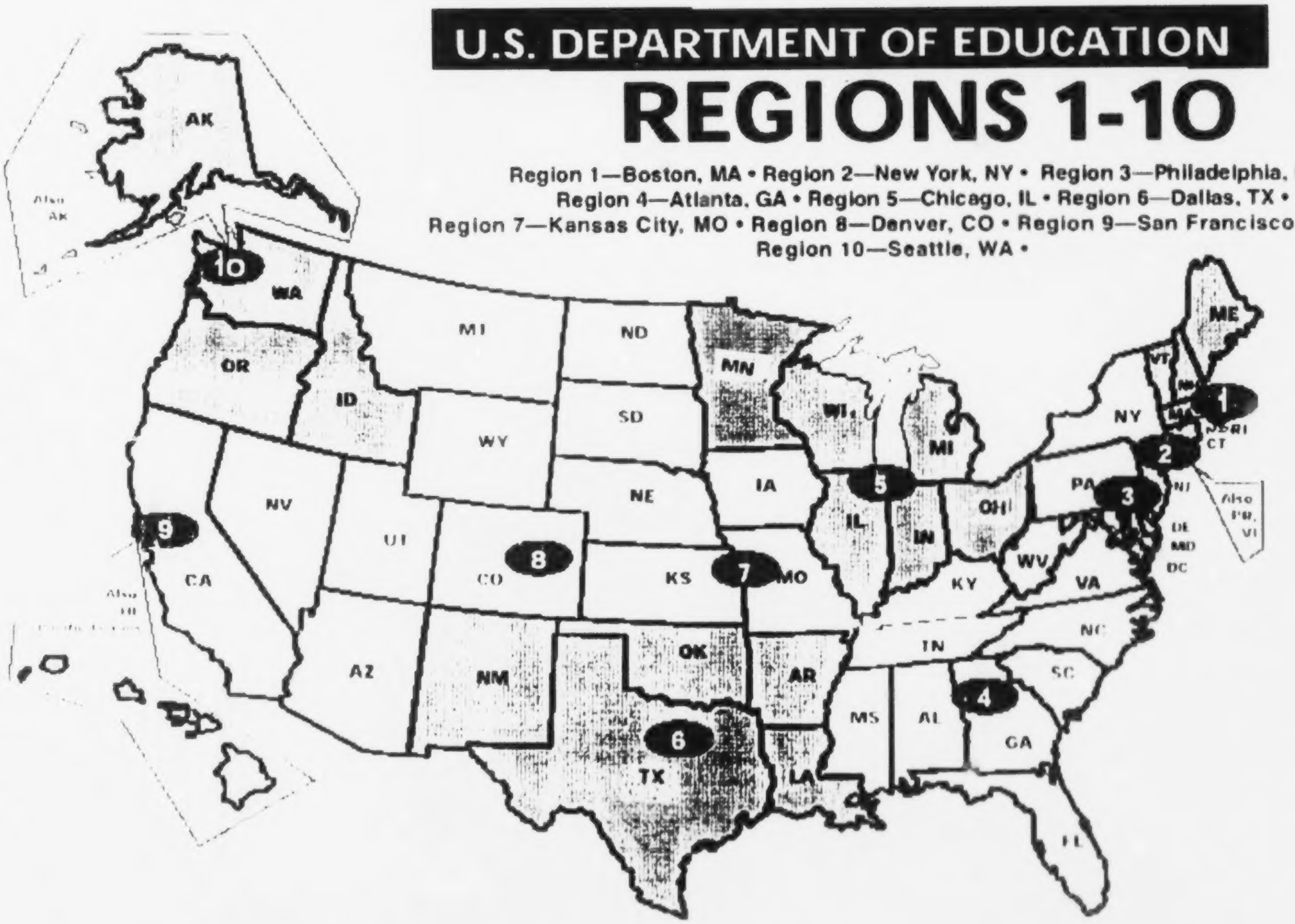
* - see next page for regional map

For questions about audits, recertifications, financial statements, program reviews, changes of ownership or structure, or to request initial certification:

-Contact: the main number at 202-260-3616

Assistance for foreign schools:

- Contact the Foreign School Team at
  phone – (202) 205-0183
  fax – (202) 708-9257



U.S. DEPARTMENT OF EDUCATION

REGIONS 1-10

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Answer Key

Checkpoint #1: Institutional Eligibility

1) No. (only 50% may be correspondence)
2) Yes.
3) Yes. (up to 90% OK)
4) Yes. (at least 2 years)
5) No. (10 days)

Credit Balance Questions

1) $800.
2) January 24th

Managing Cash Management

1) 9/2
2) 9/5
3) 9/29
4) 9/29
5) 9/17
6) GAPS
7) RFMS
8) $250

Case Studies

1) Consider separation of functions.
2) Trainings are vital and worth the time and expense.
3) Report fraud to authorities. Everyone who knows is responsible.

Session 8

Electronic Requirements

Questions we will answer during this session:

What are the major electronic processes in which schools are required to participate?

How do schools send and receive data electronically?

What role does the Internet play in Title IV?

How do schools get answers to questions regarding the electronic requirements?

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What are the major electronic processes in which schools are required to participate?

ED-DESIGNATED PROCESSES AND DEADLINE DATES

Deadline Date	Designated Electronic Processes
January 1, 1998	◆ Participate in the Title IV Wide Area Network (TIV WAN)*. ◆ For the 1998–99 processing year[1] and beyond: • Receipt of Institutional Student Information Records (ISIRs).[2] • Adding your institution to the Central Processing System (CPS) Record*. • On-line access to the National Student Loan Data System (NSLDS).
July 1, 1998	◆ Access the "Info for Financial Aid Professionals" web site or the Student Financial Assistance Bulletin Board System (SFA BBS). ◆ Submission of the Application for Approval to Participate in Federal Student Aid Programs (recertification, reinstatement, and changes) through the Internet. ◆ Submission of the Fiscal Operations Report and Application to Participate (FISAP)* to the Title IV Wide Area Network (TIV WAN). Diskettes and magnetic tapes/cartridges eliminated.
July 1, 1999	◆ For the 1999–2000 award year and beyond: Report Federal Pell Grant Payments electronically or on magnetic tape or cartridge to the Title IV Wide Area Network (TIV WAN). Diskettes eliminated. ◆ Submit Student Status Confirmation Report (SSCR) data electronically or on magnetic tape or cartridge to the National Student Loan Data System (NSLDS). Diskettes eliminated. ◆ Submit Federal Perkins Loan Data electronically or on magnetic tape or cartridge to the National Student Loan Data System (NSLDS). Diskettes eliminated.

[1] The application processing cycle lasts 18 months. For the 1998–99 award year, application processing begins in January 1998 and applications for that year will be accepted until June 30, 1999.

[2] The Secretary realizes that processing Title IV aid upon the receipt of an ISIR, rather than the paper Student Aid Report (SAR), may be new for some institutions. In order to provide these institutions sufficient time to implement electronic procedures to receive ISIRs, the Secretary will not assess any penalties against an institution that is not able to comply with this requirement on January 1, 1998. However, beginning July 1, 1998, all institutions are expected to be receiving ISIRs electronically for any Title IV applicant who has listed that institution on the applicant record in the CPS.

* See Glossary

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TECHNICAL SPECIFICATIONS FOR ED-REQUIRED ELECTRONIC PROCESSES

	Current Minimum Configuration (Depending Upon Volume and Usage)	Minimum Configuration Required by January 1999
Equipment	◆ IBM or fully IBM-compatible PC ◆ 66 MHz* Processor 486DX2 ◆ 16 MB RAM* ◆ 300 MB* Hard Disk Space ◆ 14,400 bps* or higher baud Hayes or comparable Modem* ◆ 3.5"/1.44 MB Diskette Drive ◆ SVGA Monitor* ◆ Standard Keyboard ◆ Printer capable of printing on standard paper (8 ½" x 11") ◆ 4x CD-ROM* Drive with sound board[1]	◆ IBM or fully IBM-compatible PC ◆ 200 MHz Pentium Processor or compatible ◆ 64 MB RAM ◆ 4.0 GB* SCSI* Hard Drive ◆ 56K Analog Modem ◆ 3.5"/1.44 MB Diskette Drive ◆ SVGA Monitor ◆ Windows 95 Keyboard ◆ Laser printer capable of printing on standard paper (8 ½" x 11") ◆ 12x CD-ROM Drive with sound board[1]
Software	◆ MS-DOS version 6.2 or higher; Windows 3.1, 3.11, or 95 ◆ Internet Service Provider (ISP)[2] ◆ Netscape Navigator* 3.0 or 3.01 (domestic), Microsoft Internet Explorer 4.0, or other web browser*[3]	◆ 32 bit operating system* (Windows 95* or Windows NT 4.x*) ◆ Internet Service Provider (ISP)[2] ◆ Netscape Navigator 3.0 or 3.01 (domestic), Microsoft Internet Explorer 4.0, or other web browser[3]
Phone Line	◆ Dedicated phone line	◆ Dedicated phone line
Diskettes	◆ 3.5" high-density double sided diskettes	◆ 3.5" high-density double-sided diskettes

[1] Required if institutions want to use the EDExpress Tutorial and the AWARE software.

[2] Will be necessary to access the "Information for Financial Aid Professionals" web site or the Student Financial Assistance Bulletin Board System (SFA BBS) and for submission of the Application for Approval to Participate in Federal Student Aid Programs (recertification, reinstatement, and changes).

[3] Currently must use Netscape Navigator 3.0 or 3.01 (domestic) or Microsoft Internet Explorer 4.0 in order to utilize FAFSA on the Web. The Department is currently testing other web browsers that will be made available to the public in the near future.

_____* - See Glossary

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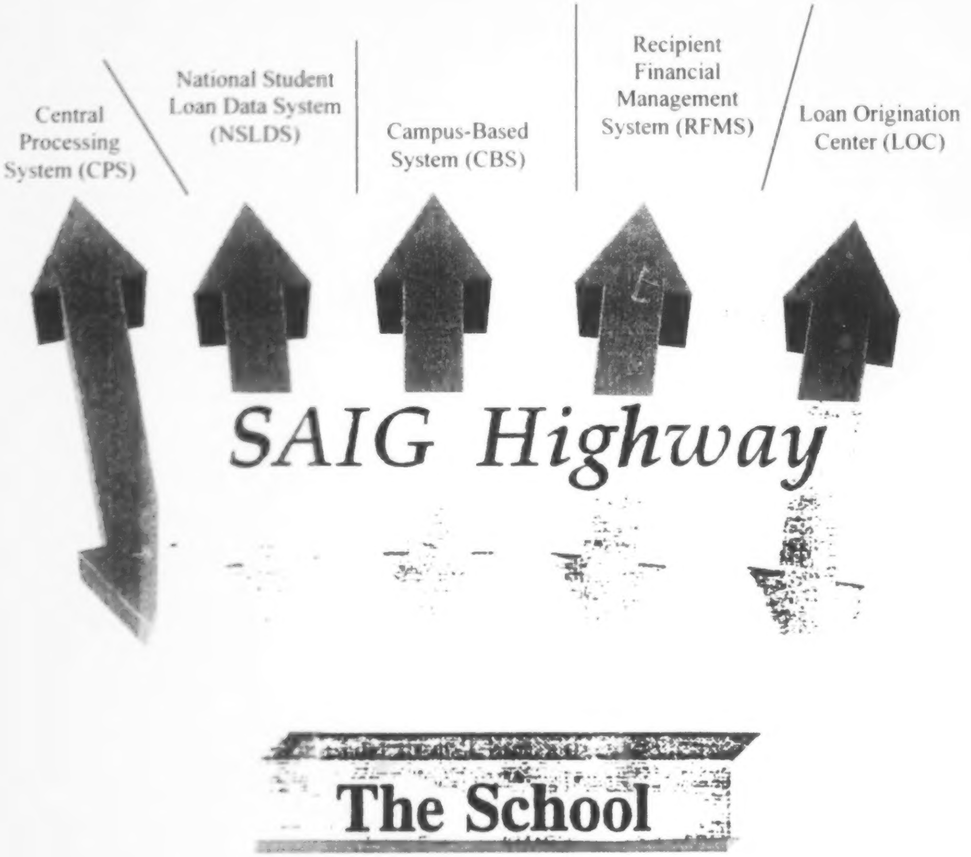
How do schools send and receive data electronically?

Student Aid Internet Gateway Destination Points



Central Processing System (CPS)

National Student Loan Data System (NSLDS)

Campus-Based System (CBS)

Recipient Financial Management System (RFMS)

Loan Origination Center (LOC)

SAIG Highway

The School

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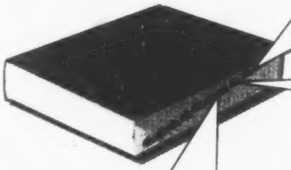
Checkpoint #1 – Destination Points

In the situation described below, fill in the appropriate destination points.

Santana College has just gotten connected to the Student Aid Internet Gateway (SAIG). They are anxious to get off the ground with several processes.

First, financial aid employees take a pile of student FAFSAs so they can enter the data to send them to the _____ for processing. The school, a Perkins participant, will send campus-based data to the _____. Being a Direct Loan school, some members of the staff are busy preparing data to submit to the _____. Then they need to report overpayment information to the _____. Finally, they must report Pell disbursements to _____.



Batching – combining several student files into one package to send to an ED destination point over the Student Aid Internet Gateway.

Exporting – moving batches from EDExpress or similar software into Edconn32 so they can travel over SAIG.

Importing – moving files from Edconn32 into EDExpress or similar software for processing.

Filenames

Message Class			Extension
Electronic Applications EAPS	2000-01 01	In to ED IN	First file of this type .DAT
Content of File	Year	Which way the data is moving	The number of files of this type there have been
SARA Processed applications (ISIRs)	01 2000-01	OP Out from ED	.002 Third file of this type

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Checkpoint #2 – Terminology

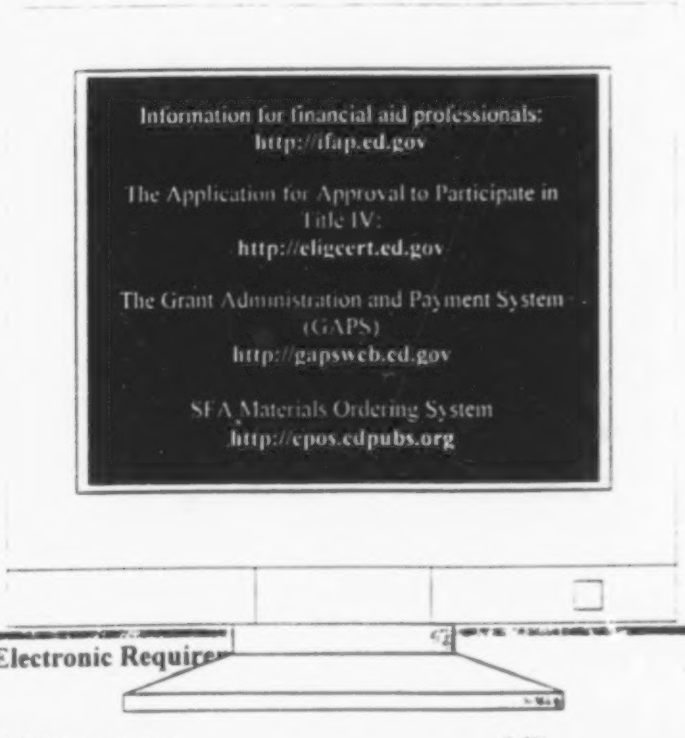
1) A package of data is called a _______.

2) In a process called _______, you can create a _______ using _______, and then move it into _______ so it can ride the Student Aid Internet Gateway highway.

3) The process of _______ involves moving data from Edconn32 into _______.

4) The filename is **EAPS00IN.04**. What is the year? ______
Is the data traveling to ED or to the school? __________
How many *previous* files of this name have been sent? _____

What role does the Internet play in Title IV?



Information for financial aid professionals:
http://ifap.ed.gov

The Application for Approval to Participate in Title IV:
http://eligcert.ed.gov

The Grant Administration and Payment System (GAPS)
http://gapsweb.ed.gov

SFA Materials Ordering System
http://epos.edpubs.org

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Final Exam – Electronic Requirements

True or False

1) Even though ED requires schools to be able to access the IFAP page, ED will always send paper versions of Dear Colleague letters to schools.

______

2) The vehicle on which schools must place their data to be sent over the SAIG highway is called EDExpress. ______

3) The Central Processing System (CPS) and the school's financial aid office are both examples of destination points. ______

4) In the filename EAPS00IN.001, the IN describes data coming in to the school from ED. ______

5) Schools must register with ED to use any part of the IFAP web site.

______

6) Some features of EDExpress involve electronic applications.

______

7) Data your school receives over the SAIG must be imported from EDconn32 into EDExpress (or other software) before you can read and use the data. ______

8) If your school undergoes a change of ownership, you must now report this change to ED electronically. ______

9) Your business office may either use GAPS or order funds using a paper "Title IV I-52 Request Form." ______

10) Electronic participation is strongly encouraged by ED, but is not currently required. ______

How do schools get answers to questions regarding the electronic requirements?

CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES

Service Unit Phone Number and E-Mail Address	Service Area	
	Customer Service	ED Software and Technical Resources
CPS Customer Service and Direct Loan Technical Customer Service 1-(800) 330-5947 (7:00 A.M. - 7:00 P.M. CST) e-mail: CPS@NCS.COM fax: 1-(319) 358-4260	◆ Technical support for EDExpress for Windows (Application Processing, Packaging, Direct Loans, SSCR), EDExpress for Windows Tutorial (CD-ROM and diskette versions), AWARE (Early Awareness Software), IQAP for Windows, FISAP software, and Pell Payment for Windows ◆ Questions on ISIRs (applications, corrections, and duplicates) ◆ PC and LAN configuration support to run EDExpress ◆ Phone walk-through of software to ensure user understanding ◆ State agency electronic data needs (EDE or tape) ◆ Questions regarding EDE Technical Reference for custom system developers ◆ SSCR record processing in EDExpress ◆ Data reconciliation issues between DL schools and DL Origination Center ◆ On-site support at DL schools to ensure continued processing ◆ Questions on FISAP software	**Software** ◆ EDExpress (Application Processing, Packaging, Direct Loan, SSCR) software ◆ EDExpress for Windows Tutorial (CD-ROM or diskette) ◆ AWARE (Early Awareness Software) ◆ IQAP for Windows ◆ FISAP (to be released Summer 1998) ◆ PC hardware/software support for Pell Payment software for Windows **Technical Specifications** ◆ *Electronic Data Exchange (EDE) Technical Reference Guide* (process FAFSA application data with CPS, interface external systems with EDExpress, SSCR, and Packaging functions)

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CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES (CONT'D)

Service Unit Phone Number and E-Mail Address	Service Area	
	Customer Service	**ED Software and Technical Resources**
FAFSA on the Web/FAFSA Express Customer Service 1-(800) 801-0576 (7:00 A.M. – 4:30 P.M. CST) e-mail: CPS@NCS.COM	◆ Technical support for FAFSA on the Web and FAFSA Express ◆ Assist with FAFSA Express software on user's PC (from disk or downloaded from ED's Web page) ◆ Questions regarding applicant status and signature page hold ◆ Basic connectivity questions to transmit application ◆ Help accessing the Web page	**Software** ◆ FAFSA on the Web ◆ FAFSA Express
Title IV WAN Customer Service 1-(800) 615-1189 (7:00 A.M. – 10:00 P.M. CST) e-mail: T4WAN@NCS.COM	◆ Technical support for EDconnect for Windows, Integrated Application Menu (IAM), and mainframe transmission software ◆ Transmission problems connecting to the network ◆ Transmission errors ◆ Network password changes and resets ◆ Status of mailbox ◆ Restoring data to mailbox ◆ Enrollment and participation ◆ Billings and invoices ◆ Distribution of software and user's manual ◆ Technical Support for NSLDS (enrollment, receiving/sending SSCR file, getting into NET*CONNECT for on-line query)	**Software** ◆ EDconnect for Windows ◆ Integrated Application Menu (IAM) software **Technical Specifications** ◆ *Title IV WAN Mainframe Guide* Instructions for using the Title IV WAN in a mainframe environment ◆ *EDconnect for Windows User's Guide* Specific information about using Title IV WAN and EDconnect for Windows

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CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES (CONT'D)

Service Unit Phone Number and E-Mail Address	Service Area	
	Customer Service	**ED Software and Technical Resources**
NSLDS Customer Service 1 (800) 999 8219 (7:00 A.M. - 7:00 P.M. EST)	◆ Technical support for Small School Template and DataPrep Software (for Federal Perkins Loan Program reporting) ◆ Default rate calculations ◆ SSCR reporting ◆ Financial aid history (FAT) information (ISIR prescreening) ◆ Data provider monthly submissions ◆ On line functions ◆ User manuals	**Software** ◆ Small School Template ◆ DataPrep Software ◆ NSLDS-The Paperless Link (NSLDS Computer Based Training Tutorial) **Technical Specifications** ◆ *NSLDS Data Provider Instructions for Schools* Technical reference providing data to NSLDS
Direct Loan Technical Support for Custom/Combo Institutions 1 (800) 756 4220 (8:30 A.M. - 5:00 P.M. EST) e-mail: DLTS@NCS.COM	◆ Technical assistance in interpreting Direct Loan Technical Reference ◆ Errors received while interfacing an external system with EDExpress ◆ Questions on developing import from external add/change files ◆ Procedural walk-throughs of the Direct Loan Program for schools designing custom systems or planning to interface with EDExpress ◆ On-site support to Direct Loan schools with custom/combo systems	**Technical Specifications** ◆ Direct Loan Technical Reference (create custom system to support all DL Program essentials, or combine portion of EDExpress functions with external systems)

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CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES (CONT'D)

Service Unit Phone Number and E-Mail Address	Service Area	
	Customer Service	**ED Software and Technical Resources**
Direct Loan Origination Center 1-(800) 848-0978 (7:00 A.M. - 7:00 P.M. EST)	◆ Direct Loan Batch Status ◆ Batch Integrity Errors ◆ Acknowledgments ◆ Rejected Direct Loan Batches ◆ Promissory Notes ◆ Check Sum Errors	
Federal Pell Grant Program Hotline 1-(800)-4PGRANT (8:30 A.M. - 5:30 P.M. EST)	◆ Individual Records Rejects ◆ Batch Status ◆ Pell DOS Software Support ◆ Year-to-Date Pell Payment Data Requests ◆ Floppy disk or recipient (tape) data exchange	
Customer Support Branch 1-(800) 433-7327 (9:00 A.M. - 5:00 P.M. EST) e-mail: CSB@ED.GOV fax: 1-(202) 260-4199	◆ Federal Student Financial Aid policy questions ◆ Questions on electronic SFA information for SFA professionals ◆ Liaison to other ED offices	

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In the message, type ONLY:
SUBSCRIBE FINAID-L (your first and last name)

To subscribe to SFATech go to: www.ed.gov/offices/OSFAP/sfatech.

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Session 9

Extra Practice

Topics you will cover:

Student Eligibility

Packaging

Verification

Student Eligibility

Instructions: In your groups, determine whether each of the following students is eligible for federal student aid, based solely on the criteria given. Discuss reasons for your answers and record them in the space provided.

HINT: You'll need your Student Eligibility Checklist from page 3 of Session 2!

1. Georges, attempting to prove he is an eligible non-citizen, brings you a copy of his Social Security card that is stamped "Valid for Employment". Is he eligible for financial aid?

2. Rick is enrolled in the Continuing Education and Community Enrichment program at Intown State College. He is taking classes that will help him when he enrolls there next year in the Marketing program. Is he eligible for financial aid?

3. Jennifer is a 14 year old who is very bright and was bored in school. She took and passed her GED. Is she eligible for Title IV aid?

4. Linda was home schooled by her parents in Washington state. Although Washington does not recognize home schools, she plans to attend college in Idaho. She does have a certificate from the Home School Association of Idaho. Is Linda eligible?

5. Tricia recently attended State University and withdrew. State University discovered that Tricia had received too much Pell Grant money while she was enrolled. The school repaid the Pell Grant, and now wants Tricia to repay them. They are refusing to release her academic records until she pays, saying that she owes money back for her Pell Grant. Is Tricia eligible for financial aid?

6. Bob's parents have religious beliefs that prohibit them from participating in any government activity. They believe that doing so would allow governmental interference in their personal affairs. Bob's parents refuse to get him a social security. Is Bob eligible for aid?

7. Ramon is a 22-year-old refugee from his native country who doesn't yet have his green card. Since he is not a U. S. citizen, he doesn't feel he should have to register with Selective Service. Can Ramon get aid?

8. Jose came to the U. S. illegally at age 18, and he finally got his green card. He's now just turned 26, but has never registered with Selective Service. He says he wasn't required to register. Can Jose get aid?

9. Scott has been serving a prison sentence and was recently approved by the parole board to live in a community halfway house. He'd like to continue his education. Is Scott eligible for aid?

10. Lynn's mother and stepfather did fill out Lynn's FAFSA, but her stepfather refuses to provide his tax return. He indicates that his financial worth is no one's business and providing the return would be an invasion of his privacy. Lynn does bring you her mother's 1040 and the other required verification documents. Is Lynn eligible for aid?

Packaging

Instructions: Using the information below, and the packaging models chart on page 5, complete packaging for the students described on pages 6, 7, & 8. For these exercises, we provide you with worksheets. Although these worksheets are not required, you may use them or similar forms to complete the packaging. Remember, EDExpress features an electronic packaging module as well.

Big Mountain College has the following aid programs and award parameters:

Fund	AY Minimum	AY Maximum	Other Criteria
FSEOG	$200	$1000	Pell students
FWS	$750	$1500	
FFEL Program		Statutory	
Perkins Loans	$500	$1500	
Institutional Loan	$250	$1000	Only for students who are not eligible for $5500 in sub Stafford; awarded after FFEL
Institutional Grant*	$100	$1200	

All students will be offered a chance to work before incurring any debt. For Pell eligible students, Perkins Loans are offered before Stafford. Fixed % equity level = 20% X COA.

*When using the Packaging Models chart, this grant is considered "gift aid," not "external/private" aid.

Note: For purposes of this exercise, award all students the maximum grant and loan amounts whenever possible. In reality, you would have to consider availability of campus-based and institutional funds.

Packaging Models

Model	Order of Packaging	Special Notes
Ladder	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* attempt to meet all student need without resorting to loans or FWS
Self-Help	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid (if needed)	* attempt to promote self-help as primary means of meeting need
Absolute Equity	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid equal for all students
Fixed Percentage Equity**	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid based on percentage of each student's COA
Individual Basis	1) Pell 2) Varies by student	
First-Come, First-Served	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid*	* student funded to the maximum need from all sources until funds are exhausted
Special Groups	1) Pell 2) Varies by groups of students*	* for example, athletes on partial scholarships

**Once the COA is multiplied by the school's equity percentage, the Pell Grant and any outside aid must be subtracted before gift aid is determined.

Package aid for **Michelle**, a sophomore who has a COA of $10,650 and an EFC of 1225. She is eligible for $1,250 in Pell. She is also receiving a $750 Mountain Rotary Scholarship. As a sophomore, her maximum subsidized FFEL is $3,500 (assuming she has the need). Use the ***Ladder Model*** to complete her package.

Student Name: **Michelle**

Date Enrollment will Begin : **9/3/00**

STEP ONE: (Calculating Need)

______ - ______ = ______
COA EFC Need

STEP TWO: (Subtracting Pell)

______ - ______ = ______
Need Pell Remaining Need

STEP THREE: (Creating Package)

Remaining Need: ______

Aid Type	Amount	Remaining Need

Package aid for **Esther**, a junior with a COA of $10,650 plus an additional allowance of $900 in child care. She has an EFC of 2950. She is not eligible for any Pell. As a junior, her maximum subsidized FFEL is $5,500 (assuming she has the need). Use the ***Self-Help Model*** to complete her package.

Student Name: **Esther**

Date Enrollment will Begin : **9/3/00**

STEP ONE: (Calculating Need)

_____ - _____ = _____
COA EFC Need

STEP TWO: (Subtracting Pell)

_____ - _____ = _____
Need Pell Remaining Need

STEP THREE: (Creating Package)

Remaining Need: _____

Aid Type	Amount	Remaining Need

Package aid for **Rick**, a freshman with a COA of $9,650 (he lives at home) and an EFC of 0. He is eligible for $3,125 in Pell. He is also receiving a $500 Honors Scholarship. As a freshman, his maximum subsidized FFEL is $2,625 (assuming he has the need). Use the ***Fixed-Percentage Equity Model*** to complete his package.

Student Name: Rick

Date Enrollment will Begin : 9/3/00

STEP ONE: (Calculating Need)

_______ - _______ = _______
COA - EFC = Need

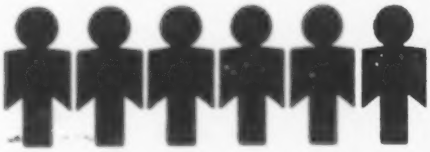
STEP TWO: (Subtracting Pell)

_______ - _______ = _______
Need - Pell = Remaining Need

STEP THREE: (Creating Package)

Remaining Need: _______

Aid Type	Amount	Remaining Need



Group Activity

First, compare your answers for each student. Then, allow each member of your group a turn to answer the following questions. Use the space provided to take notes on ideas you hear from your colleagues.

1) Which of the models from the chart on page 5 does your school use?

2) What models that are not on the chart does your school use?

3) Of the models your school uses, what are some areas of difficulty you've encountered?

4) What is one question you would like to ask of your colleagues regarding packaging?

5) What is one piece of advice you would give to your colleagues regarding packaging?

Verification

Instructions: Work on the following case study individually. Then answer the group questions that follow the case study.

The information below summarizes the student's ISIR data. To complete the case study, we've provided you with the student's tax return, verification worksheet (completed by the student), and a blank verification working paper.

Case Study

Vital Student Information from ISIR

Name:	**Kim Robinson**
Age:	**19**
Household Size:	**3**
# in College:	**2**
Student Tax Form:	**1040EZ**
Student AGI:	**$2,400**
Student Tax Paid:	**$300**
Worksheets A & B:	**$0**
Parent Tax Form:	**1040**
Parent AGI:	**$34,000**
Parent Tax Paid:	**$3,810**
Worksheet A:	**$500**
Worksheet B:	**$0**

U.S. Department of Education

2000-2001 Verification Worksheet

Federal Student Aid Programs

Dependent

FORM APPROVED
OMB NO. 1840-0570
EXP. DATE 12/31/2001

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your and your parent(s)' 1999 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR), or your school may send corrections electronically, to have your information reprocessed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parent(s)' financial documents (signed Federal income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you and at least one parent.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

ROBINSON KIM M.
Last name First name M.I.

654-32-1987
Social Security Number

1806 FOREST WOOD AVE.
Address (include apt. no.)

11/7/80
Date of birth

SHEFFIELD OH 44414
City State ZIP code

330-555-5515
Phone number (include area code)

B. Family Information

List the people in your parents' household; include:

- yourself and your parent(s) you live with (including stepparent), and
- your parents' other children, even if they don't live with your parent(s), if (a) your parents provide more than half of their support from July 1, 2000 through June 30, 2001, or (b) the children would be required to provide parental information when applying for Federal Student Aid, and
- other people if they now live with your parents, and your parents provide more than half of their support and will continue to provide more than half of their support from July 1, 2000 through June 30, 2001.

Write the names of all household members. Also write in the name of the college for any household member, excluding your parent(s), who will be attending college at least half-time between July 1, 2000 and June 30, 2001, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Missy Jones (example)	18	Sister	Central University
KIM ROBINSON	19	Self	Midstate University
CHARLES ROBINSON	22	BROTHER	INSTATE LAW SCHOOL
BETTY ROBINSON	45	MOTHER	
GEORGIA JOHNSON	70	GRANDMOTHER	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0570. The time required to complete this information collection is estimated to average twelve minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Application and Pell Processing Systems Division, U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, DC 20202-5453.

[redacted]

C. Student's Tax Forms and Income Information (all applicants) Dependent

1. Check one box only. Tax returns include the 1999 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return. If you did not keep a copy of the tax return, request a copy from your tax preparer or a copy of an Internal Revenue Service form that lists tax account information.

☑ Check and attach signed tax return.
☐ Check and complete: signed tax return will be submitted to the school by ____________________(date).
☐ Check here if you will not file and are not required to file a 1999 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income. (See Worksheet A of the Free Application for Federal Student Aid)

Sources of Untaxed Income	Amount	Sources of Untaxed Income	Amount
a. Child Support		d.	
b. Social Security (non-taxed)		e.	
c. Welfare (including TANF)		f.	

3. If you did not file and are not required to file a 1999 Federal income tax return, list below your employer(s) and any income received in 1999.

Sources (Use the W-2 form or other earnings statements.)	Amount

D. Parent(s)' Tax Forms and Income Information

1. Check one box only. Tax returns include the 1999 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return. If your parent(s) did not keep a copy of the tax return, request a copy from the tax preparer or a copy of an Internal Revenue Service form that lists tax account information.

☑ Check and attach signed tax return(s).
☐ Check and complete: signed tax return(s) will be submitted to the school by ____________________(date).
☐ Check here if your parent(s) will not file and are not required to file a 1999 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income. (See Worksheet A of the Free Application for Federal Student Aid)

Sources of Untaxed Income	Amount	Sources of Untaxed Income	Amount
a. Child Support		d.	
b. Social Security (non-taxed)		e.	
c. Welfare (including TANF)		f.	

3. If your parent(s) did not file and are not required to file a 1999 Federal income tax return, list below your parent(s)' employer(s) and any income they received in 1999.

Sources (Use the W-2 form or other earnings statements.)	Amount

E. Sign this Worksheet

By signing this worksheet, we certify that all the information reported on this worksheet is complete and correct. At least one parent must sign.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Kim M. Robinson 4/25/00
Student Date

Betty J. Robinson 4/25/00
Parent Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator at your school. Don't forget to sign your tax forms.

Department of the Treasury—Internal Revenue Service

Form **1040EZ** **Income Tax Return for Single and Joint Filers With No Dependents** (99) **1999** OMB No. 1545-0675

Use the IRS label here

Your first name and initial: Kim M. Last name: Robinson

If a joint return, spouse's first name and initial: Last name:

Home address (number and street). If you have a P.O. box, see page 12: 1806 Forest Wood Avenue Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 12: Sheffield, OH 44414

Your social security number 654 32 1987

Spouse's social security number

▲ **IMPORTANT!** ▲ You **must** enter your SSN(s) above.

Presidential Election Campaign (See page 12.)

Note. *Checking "Yes" will not change your tax or reduce your refund.*

Do you want $3 to go to this fund? ▶ Yes ☒ No ☐

If a joint return, does your spouse want $3 to go to this fund? ▶ Yes ☐ No ☐

		Dollars	Cents
Income Attach Copy B of Form(s) W-2 here. Enclose, but do not staple, any payment.	1 Total wages, salaries, and tips. This should be shown in box 1 of your W-2 form(s). Attach your W-2 form(s). 1	2,441	00
	2 Taxable interest. If the total is over $400, you cannot use Form 1040EZ. 2	0	
	3 Unemployment compensation, qualified state tuition program earnings, and Alaska Permanent Fund dividends (see page 14). 3	0	
	4 Add lines 1, 2, and 3. This is your **adjusted gross income.** 4	2,441	00
Note. You **must** check Yes or No.	5 Can your parents (or someone else) claim you on their return? **Yes.** ☑ Enter amount from worksheet on back. **No.** ☐ If **single**, enter 7,050.00. If **married**, enter 12,700.00. See back for explanation. 5	2,691	00
	6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter 0. This is your **taxable income.** ▶ 6	0	
Payments and tax	7 Enter your Federal income tax withheld from box 2 of your W-2 form(s). 7	364	98
	8a **Earned income credit** (see page 15). b Nontaxable earned income: enter type and amount below. Type $ 8a		
	9 Add lines 7 and 8a. These are your **total payments.** 9		
	10 **Tax.** Use the amount on **line 6 above** to find your tax in the tax table on pages 24–28 of the booklet. Then, enter the tax from the table on this line. 10		
Refund Have it directly deposited! See page 20 and fill in 11b, 11c, and 11d.	11a If line 9 is larger than line 10, subtract line 10 from line 9. This is your **refund.** 11a	364	98
	▶ b Routing number		
	▶ c Type: Checking ☐ Savings ☐ d Account number		
Amount you owe	12 If line 10 is larger than line 9, subtract line 9 from line 10. This is the **amount you owe.** See page 21 for details on how to pay. 12		

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and accurately lists all amounts and sources of income I received during the tax year.

Sign here ▶ Keep copy for your records.

Your signature: Kim M. Robinson

Date: 2/21/2000 Your occupation: STUDENT

Spouse's signature if joint return. See page 11. Date Spouse's occupation

For Official Use Only ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 23. Cat. No. 11329W 1999 Form 1040EZ

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Use this form if

- Your filing status is single or married filing jointly.
- You (and your spouse if married) were under 65 on January 1, 2000, and not blind at the end of 1999.
- You do not claim any dependents.
- Your taxable income (line 6) is less than $50,000.
- You do not claim a student loan interest deduction (see page 8) or an education credit.
- You had **only** wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, qualified state tuition program earnings, or Alaska Permanent Fund dividends, and your taxable interest was not over **$400**. **But** if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your W-2, you may not be able to use Form 1040EZ. See page 13. If you are planning to use Form 1040EZ for a child who received Alaska Permanent Fund dividends, see page 14.
- You did not receive any advance earned income credit payments.

If you are not sure about your filing status, see page 11. If you have questions about dependents, use TeleTax topic 354 (see page 6). If you **cannot use this form**, use TeleTax topic 352 (see page 6).

Filling in your return

For tips on how to avoid common mistakes, see page 29

Enter your (and your spouse's if married) social security number on the front. Because this form is read by a machine, please print your numbers inside the boxes like this.

9	8	7	6	5	4	3	2	1	0

Do not type your numbers. Do not use dollar signs.

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filling in the form. Also, see the booklet if you received a Form 1099-INT showing Federal income tax withheld or if Federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

Remember, you must report all wages, salaries, and tips even if you do not get a W-2 form from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Worksheet for dependents who checked "Yes" on line 5

(keep a copy for your records)

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, use TeleTax topic 354 (see page 6).

A. Amount, if any, from line 1 on front 2,441.00
+ 250.00 Enter total ▶ A. 2,691.00

B. Minimum standard deduction . . . . . B. 700.00

C. Enter the LARGER of line A or line B here . . . . . C. 2,691.00

D. Maximum standard deduction. If **single**, enter 4,300.00; if **married**, enter 7,200.00 D. 4,300.00

E. Enter the SMALLER of line C or line D here. This is your standard deduction . . . . . E. 2,691.00

F. Exemption amount.
- If single, enter 0.
- If married and—
  - —both you and your spouse can be claimed as dependents, enter 0.
  - —only one of you can be claimed as a dependent, enter 2,750.00.

} F. 0

G. Add lines E and F. Enter the total here and on line 5 on the front . . G. 2,691.00

If you checked "No" on line 5 because no one can claim you (or your spouse if married) as a dependent, enter on line 5 the amount shown below that applies to you.

- Single, enter 7,050.00. This is the total of your standard deduction (4,300.00) and your exemption (2,750.00).
- Married, enter 12,700.00. This is the total of your standard deduction (7,200.00), your exemption (2,750.00), and your spouse's exemption (2,750.00).

Mailing return

Mail your return by **April 17, 2000.** Use the envelope that came with your booklet. If you do not have that envelope, see page 32 for the address to use.

Paid preparer's use only

See page 21

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income received during the tax year. This declaration is based on all information of which I have any knowledge.

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address ▶		EIN	
		ZIP code	

Form **1040** Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 1999

(99) IRS Use Only—Do not write or staple in this space

For the year Jan. 1–Dec. 31, 1999, or other tax year beginning , 1999, ending , 20 OMB No. 1545-0074

Label

(See instructions on page 18.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial: Betty J.
Last name: Robinson
Your social security number: 876 54 3219

If a joint return, spouse's first name and initial:
Last name:
Spouse's social security number:

Home address (number and street). If you have a P.O. box, see page 18. 1806 Forest Wood Avenue
Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. Sheffield, OH 44414

▲ **IMPORTANT!** ▲ You **must** enter your SSN(s) above.

Presidential Election Campaign (See page 18.)

	Yes	No
Do you want $3 to go to this fund?	✓	
If a joint return, does your spouse want $3 to go to this fund?		

Note. Checking "Yes" will not change your tax or reduce your refund.

Filing Status

Check only one box.

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here. ▶
4 ☑ Head of household (with qualifying person). (See page 18.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 18.)

Exemptions

6a ☑ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a.
b ☐ **Spouse**
c **Dependents:**

If more than six dependents, see page 19.

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 19)
Charles Robinson	765 43 2198	son	☐
Kim Robinson	654 32 1987	Dauglter	☐
			☐
			☐
			☐
			☐

d Total number of exemptions claimed

No. of boxes checked on 6a and 6b: 1
No. of your children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 19)

Dependents on 6c not entered above

Add numbers entered on lines above ▶ 3

Income

Attach Copy B of your Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 20.

Enclose, but do not staple, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	33,972	00
8a	**Taxable** interest. Attach Schedule B if required	8a	650	00
b	**Tax-exempt** interest. DO NOT include on line 8a — 8b			
9	Ordinary dividends. Attach Schedule B if required	9		
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 21)	10		
11	Alimony received	11		
12	Business income or (loss). Attach Schedule C or C-EZ	12		
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13		
14	Other gains or (losses). Attach Form 4797	14		
15a	Total IRA distributions — 15a — b Taxable amount (see page 22)	15b		
16a	Total pensions and annuities — 16a — b Taxable amount (see page 22)	16b		
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17		
18	Farm income or (loss). Attach Schedule F	18		
19	Unemployment compensation	19		
20a	Social security benefits — 20a — b Taxable amount (see page 24)	20b		
21	Other income. List type and amount (see page 24)	21		
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	34,622	00

Adjusted Gross Income

23	IRA deduction (see page 26)	23	500	00			
24	Student loan interest deduction (see page 26)	24					
25	Medical savings account deduction. Attach Form 8853	25					
26	Moving expenses. Attach Form 3903	26					
27	One-half of self-employment tax. Attach Schedule SE	27					
28	Self-employed health insurance deduction (see page 28)	28					
29	Keogh and self-employed SEP and SIMPLE plans	29					
30	Penalty on early withdrawal of savings	30					
31a	Alimony paid b Recipient's SSN ▶	31a					
32	Add lines 23 through 31a				32	500	00
33	Subtract line 32 from line 22. This is your **adjusted gross income** ▶				33	34,122	00

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 54. Cat. No. 11320B Form **1040** (1999)

Form 1040 (1999) Page 2

Tax and Credits	34	Amount from line 33 (adjusted gross income)			34	34,122 00
	35a	Check if: ☐ **You** were 65 or older, ☐ Blind; ☐ **Spouse** was 65 or older, ☐ Blind. Add the number of boxes checked above and enter the total here ▶ 35a				
	b	If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see page 30 and check here ▶ 35b ☐				
	36	Enter your **itemized deductions** from Schedule A, line 28, **OR standard deduction** shown on the left. **But** see page 30 to find your standard deduction if you checked any box on line 35a or 35b **or** if someone can claim you as a dependent			36	6,350 00
	37	Subtract line 36 from line 34			37	27,772 00
	38	If line 34 is $94,975 or less, multiply $2,750 by the total number of exemptions claimed on line 6d. If line 34 is over $94,975, see the worksheet on page 31 for the amount to enter			38	8,250 00
	39	**Taxable income.** Subtract line 38 from line 37. If line 38 is more than line 37, enter -0-			39	19,522 00
	40	**Tax** (see page 31). Check if any tax is from **a** ☐ Form(s) 8814 **b** ☐ Form 4972 ▶			40	2,929 00
	41	Credit for child and dependent care expenses. Attach Form 2441	41			
	42	Credit for the elderly or the disabled. Attach Schedule R	42			
	43	Child tax credit (see page 33)	43			
	44	Education credits. Attach Form 8863	44	1,620 00		
	45	Adoption credit. Attach Form 8839	45			
	46	Foreign tax credit. Attach Form 1116 if required	46			
	47	Other. Check if from **a** ☐ Form 3800 **b** ☐ Form 8396 **c** ☐ Form 8801 **d** ☐ Form (specify) ______	47			
	48	Add lines 41 through 47. These are your **total credits**			48	1,620 00
	49	Subtract line 48 from line 40. If line 48 is more than line 40, enter -0- ▶			49	1,309 00
Other Taxes	50	Self-employment tax. Attach Schedule SE			50	
	51	Alternative minimum tax. Attach Form 6251			51	
	52	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137			52	
	53	Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required			53	
	54	Advance earned income credit payments from Form(s) W-2			54	
	55	Household employment taxes. Attach Schedule H			55	
	56	Add lines 49 through 55. This is your **total tax** ▶			56	1,309 00
Payments	57	Federal income tax withheld from Forms W-2 and 1099	57	4,166 00		
	58	1999 estimated tax payments and amount applied from 1998 return	58			
	59a	**Earned income credit.** Attach Sch. EIC if you have a qualifying child				
	b	Nontaxable earned income: amount ▶ and type ▶	59a			
	60	Additional child tax credit. Attach Form 8812	60			
	61	Amount paid with request for extension to file (see page 48)	61			
	62	Excess social security and RRTA tax withheld (see page 48)	62			
	63	Other payments. Check if from **a** ☐ Form 2439 **b** ☐ Form 4136	63			
	64	Add lines 57, 58, 59a, and 60 through 63. These are your **total payments** ▶			64	4,166 00
Refund	65	If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you **OVERPAID**			65	2,857 00
	66a	Amount of line 65 you want **REFUNDED TO YOU** ▶			66a	2,857 00
Have it directly deposited! See page 48 and fill in 66b, 66c, and 66d.	▶ b	Routing number ▶ c Type: ☐ Checking ☐ Savings				
	▶ d	Account number				
	67	Amount of line 65 you want **APPLIED TO YOUR 2000 ESTIMATED TAX** ▶	67			
Amount You Owe	68	If line 56 is more than line 64, subtract line 64 from line 56. This is the **AMOUNT YOU OWE**. For details on how to pay, see page 49 ▶			68	
	69	Estimated tax penalty. Also include on line 68	69			

Standard Deduction for Most People

Single: $4,300

Head of household: $6,350

Married filing jointly or Qualifying widow(er): $7,200

Married filing separately: $3,600

Sign Here

Joint return? See page 18. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Betty J. Robinson	Date 2/22/2000	Your occupation Program Assistant	Daytime telephone number (optional) ( )
Spouse's signature. If a joint return, BOTH must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address			EIN
			ZIP code

Form **1040** (1999)

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2000-01 Verification Working Paper

Student: ____________________ SS#: ________________ Dep. Status: ______

Tax Returns Filed

Student/Spouse (circle one): 1040, 1040A, 1040EZ, Other, None filed

Parent(s) (circle one): 1040, 1040A, 1040EZ, Other, None filed

Item (SAR #)	Amount on Output Document	Amount Verified (Source)	Match?		
			Yes	No	N/A
Household Size (65/86)		(Worksheet)			
# in College (66/87)		(Worksheet)			
Student/Spouse AGI (40)		(1040-33, A-18,EZ-4)			
Student/Spouse Income Tax Paid (41)		(1040-49, A-32, EZ-9)			
Student/Spouse EIC (43)		(1040-59(a), A-37(a), EZ-8(a))			
Parent AGI (74)		(1040-33, A-18,EZ-4)			
Parent Income Tax Paid (75)		(1040-49, A-32, EZ-9)			
Parent EIC (77)		(1040-59(a), A-37(a), EZ-8(a))			
Non-Filers Only:					
Student Earnings (44)		(W2)			
Spouse Earnings (45)		(W2)			
Father Earnings (78)		(W2)			
Mother Earnings (79)		(W2)			
Data from Worksheets A & B - Untaxed Income & Exclusions from Income (list and verify items that apply)					

Net Error = $______________

Verification Status Code: N A W T C R S

Verification Performed By: ____________________

Date: ____________

Notes:

Group Activity

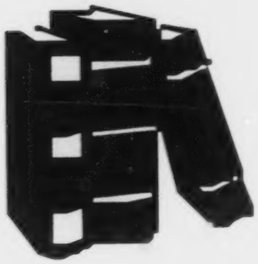
First, compare your results to the case study. Then, allow each person in your group a turn to answer the following questions.

1) What forms do you collect during verification?

2) What is your biggest hurdle in completing verification?

3) What is a question you would like to ask of your colleagues concerning verification?

4) What are some helpful hints you have for your colleagues regarding verification?



Resources

★ *Federal Student Financial Aid Handbook: Student Eligibility*

Answer Key

Student Eligibility

1. **No.** Just being eligible to work does not qualify a student as an eligible non-citizen.
2. **No.** Rick is not currently in a degree or certificate program.
3. **Yes.** Even though she is not beyond the age of cumpulsory attendance, she does have a GED.
4. **No.** Linda's home state must recognize her home schooling degree.
5. **Yes.** Tricia owes the money to the school, but the Department of Education has been repaid, so Tricia is eligible.
6. **No.** Every student must have a social security number without exception.
7. **No.** Not until he registers with Selective Service. All eligible non-citizens must register.
8. **No.** He was required to register before he turned 26. The school can obtain an opinion letter from Selective Service indicating whether they believe Jose was required to register and aware of this requirement.
9. **Yes.** Halfway houses are not considered incarceration.
10. **No.** All tax returns for individuals whose information was provided on the FAFSA must be provided for verification.

Package aid for **Michelle**, a sophomore who has a COA of $10,650 and an EFC of 1225. She is eligible for $1,250 in Pell. She is also receiving a $750 Mountain Rotary Scholarship. As a sophomore, her maximum subsidized FFEL is $3,500 (assuming she has the need). Use the ***Ladder Model*** to complete her package.

Student Name: **Michelle**

Date Enrollment will Begin : **9/3/00**

STEP ONE: (Calculating Need)

$10,650	-	**1225**	=	**$9,425**
COA		EFC		Need

STEP TWO: (Subtracting Pell)

$9,425	-	**$1,250**	=	**$8,175**
Need		Pell		Remaining Need

STEP THREE: (Creating Package)

Remaining Need: **$8,175**

Aid Type	Amount	Remaining Need
Mountain Schol.	**$750**	**$7,425**
Inst. Grant*	**$1,200**	**$6,225**
FSEOG	**$1,000**	**$5,225**
FWS**	**$1,500**	**$3,725**
Perkins	**$1,500**	**$2,225**
Subsidized FFEL	**$2,225**	**$0**

*could be after FSEOG

**could be after loans

Package aid for **Esther**, a junior with a COA of $10, 650 plus an additional allowance of $900 in child care. She has an EFC of 2950. She is not eligible for any Pell. As a junior, her maximum subsidized FFEL is $5,500 (assuming she has the need). Use the ***Self-Help Model*** to complete her package.

Student Name: **Esther**

Date Enrollment will Begin : **9/3/00**

STEP ONE: (Calculating Need)

$11,550	-	**2,950**	=	**$8,600**
COA		EFC		Need

STEP TWO: (Subtracting Pell)

$8,600	-	**$0**	=	**$8,600**
Need		Pell		Remaining Need

STEP THREE: (Creating Package)

Remaining Need: **$8,600**

Aid Type	Amount	Remaining Need
FWS*	**$1,500**	**$7,100**
FFEL	**$5,500**	**$1,600**
Perkins	**$1,500**	**$100**
Inst. Grant	**$100**	**$0**

*could be after loans

Package aid for **Rick**, a freshman with a COA of $9,650 (he lives at home) and an EFC of 0. He is eligible for $3,125 in Pell. He is also receiving a $500 Honors Scholarship. As a freshman, his maximum subsidized FFEL is $2,625 (assuming he has the need). Use the ***Fixed-Percentage Equity Model*** to complete his package.

Student Name: **Rick**

Date Enrollment will Begin : **9/3/00**

STEP ONE: (Calculating Need)

$9,650	-	**0**	=	**$9,650**
COA		EFC		Need

STEP TWO: (Subtracting Pell)

$9,650	-	**$3,125**	=	**$6,525**
Need		Pell		Remaining Need

STEP THREE: (Creating Package)

Remaining Need: **$6,525**

Aid Type	Amount	Remaining Need
Honors Schol.	**$500**	**$6,025**
Inst. Grant*	**$1,200**	**$4,825**
FSEOG	**$730*****	**$4,095**
FWS**	**$1,500**	**$2,595**
Perkins	**$1,500**	**$1,095**
Subsidized FFEL	**$1,095**	**$0**

*could be after FSEOG
**could be after loans

***only $730 because his fixed-percentage equity level = $1,930 (20% of $9,650)

2000-01 Verification Working Paper

Student: **Kim Robinson** SS#: **654-32-1987** Dep. Status: **Dep.**

Tax Returns Filed	Student/Spouse (circle one):	1040, 1040A, [✓ 1040EZ], Other, None filed
	Parent(s) (circle one):	[✓ 1040], 1040A, 1040EZ, Other, None filed

Item (SAR #)	Amount on Output Document	Amount Verified (Source)	Match?		
			Yes	No	N/A
Household Size (65/86)	3	4 (Worksheet)		X	
# in College (66/87)	2	2 (Worksheet)	X		
Student/Spouse AGI (40)	$2,400	$2,441 (1040-33, A-18,EZ-4)		X	
Student/Spouse Income Tax Paid (41)	$300	$0 (1040-49, A-32, EZ-9)		X	
Student/Spouse EIC (43)	$0	$0 (1040-59(a), A-37(a), EZ-8(a	X		
Parent AGI (74)	$34,000	$34,122 (1040-33, A-18,EZ-4)		X	
Parent Income Tax Paid (75)	$3,810	$1,309 (1040-49, A-32, EZ-9)		X	
Parent EIC (77)	$0	$0 (1040-59(a), A-37(a), EZ-8(a))	X		
Non-Filers Only					
Student Earnings (44)		(W2)			
Spouse Earnings (45)		(W2)			
Father Earnings (78)		(W2)			
Mother Earnings (79)		(W2)			
Data from Worksheets A & B - Untaxed Income & Exclusions from Income (list and verify items that apply)					
IRA Deduction	$500	$500 (1040 - line 23)	X		
Educ. Tax Credits	$0	$1,620 (1040, line 44)		X	

Net Error = $ 1,300

Verification Status Code: N A W T C [✓ R] S

Verification Performed By: ____________________

Date: ____________

Notes:

[redacted]

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Precertification Session

Overawards & Overpayments

Questions we will answer during this session:

What are overawards and overpayments?

How do you identify and correct Pell overpayments?

How do you identify and correct campus-based overawards?

How do you identify and correct campus-based overpayments?

How do you identify and correct Direct Loan and FFEL overawards?

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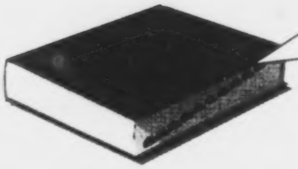
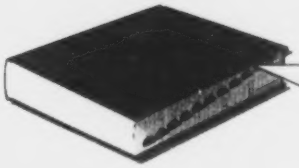
What are overawards and overpayments?



Overawards
Financial aid awards determined by the school, but not yet disbursed, that exceed a student's financial need.



Overpayments
Financial aid funds disbursed to a student that exceed the student's financial need.

Where Overpayments and Overawards Might Occur in Title IV Programs

Program	Overaward = Funds awarded (but not yet disbursed) to students in excess of need	Overpayment = Funds disbursed to students in excess of need
Federal Pell Grant Program	No	Yes
Federal Campus-Based Programs	Yes	Yes
Federal Direct Loan Program	Yes	No
FFEL Program	Yes	No

How do you identify and correct Pell Grant overpayments?

Checkpoint #1 – Correcting Pell Grant Overpayments

1) A financial aid administrator at Varndell Academy miscalculates Kevin's Pell award and disburses the funds to him. He has no more disbursements this year. *Circle the true statement(s).*

   (a) The school may collect the funds from Kevin.

   (b) The school must immediately repay the funds to their Pell account with ED using their own funds.

   (c) Kevin is ineligible for further Title IV until the matter is resolved.

2) Brandon includes erroneous information on his FAFSA, causing his EFC to be lower than it should. By the time the FAA at Varndell Academy discovers this, the funds have already been disbursed to Brandon. *Circle the true statement(s).*

   (a) The school must collect the funds from Brandon.

   (b) The school must repay the funds to their Pell account with ED using their own funds, if necessary.

   (c) Brandon is ineligible for further Title IV until the matter is resolved.

Checkpoint #1 - continued

3) Varndell Academy decides to resolve Brandon's overpayment by repaying his debt to ED with school funds, and then collecting the money from Brandon as an institutional debt. *Circle the true statement(s).*

   (a) Brandon no longer owes an overpayment.

   (b) Once the school has repaid ED, Brandon is eligible for further Title IV, regardless of whether he has, in turn, repaid the school.

   (c) Brandon is not eligible for Title IV until he has repaid his institutional debt.

4) The FAA at Varndell is able to correct another student's overpayment by reducing her second disbursement. *Circle the true statement(s).*

   (a) The school must cease disbursing any Title IV to the student until the 2nd disbursement of Pell is made at the amount low enough to make up for the overpayment.

   (b) The school may continue to disburse Title IV to the student.

How do you identify and correct campus-based overawards?

$300 Campus-Based Overaward Threshold

- * Schools are allowed a $300 overaward threshold.
- * Campus-based aid is the only Title IV with an overaward threshold.
- * The threshold counts ONLY IF an overaward occurs *after* campus-based aid has been awarded.
- * The threshold does not allow a school to deliberately award campus-based aid in excess of a student's financial need.

Correcting Campus-Based Overawards

Step 1: Begin with unsubsidized Stafford loans, Direct unsubsidized loans, and/or PLUS loans.

Step 2: Look at subsidized Stafford loans and Direct subsidized loans.

Step 3: Recalculate need and adjust other aid over which the school has control (like campus-based).

Checkpoint #2 - Correcting Campus-Based Overawards

James attends Hilltop College. His need is $8,900. The school has awarded him the following package:

Pell Grant	*$2,700*
FSEOG	*$3,000*
Federal Perkins Loan	*$2,000*
Federal Work Study	*$1,200*
TOTAL	*$8,900*

After the school packages his aid, James receives a $900 scholarship from a youth organization.

1) Has James been overawarded? __________

2) How much is the overaward (if it exists)? __________

3) Repackage James's aid to correct the overaward:

Pell Grant	**$__________**
FSEOG	**$__________**
Federal Perkins Loan	**$__________**
Federal Work Study	**$__________**
Youth Scholarship	**$__________**
TOTAL	**$__________**

Checkpoint #3 - More Campus-Based Overawards

Marilyn's need at a local community college is $4,700. Her award package consists of the following:

Pell Grant	***$2,300***
FSEOG	***$2,000***
TOTAL	***$4,300***

1) If Marilyn receives a merit scholarship of $450, what must the school do? ______________________________

____

2) What must the school do if she receives a scholarship of $700?

____

3) What must the school do if the scholarship is for $1,200?

____

4) What should the school do if Marilyn takes a job after class at a health spa that is owned by a family friend? ____________

____

5) Marilyn asks for a Federal Work Study job to make up her remaining need of $400. After she's been on the job for two weeks, she receives a $500 American Legion Award. What must the school do?

It depends. If she has earned __________ or more, then the $500 scholarship creates an overaward beyond the $300 threshold. The school must ______________________________.

If she has earned ____________________ on her FWS job, the overaward is at or below $300. This means that the school ______________________________.

Procedures for Direct Loan Adjustments

Disbursement Adjustments[1]

A disbursement adjustment is a return of a portion of a disbursement within 120 days of the disbursement date. Events that would create a *disbursement adjustment* include:

- A disbursement amount was entered incorrectly and must be corrected.
- A reduction in the student's eligibility results in a downward adjustment to a disbursement. (Note: Schools are not required to make an adjustment if the loan has been disbursed.)
- A refund is due under the Title IV refund policy that is less than the full amount of the disbursement.

Other than to correct a data error, if an originating school adjusts a disbursement downward, it returns the net adjustment amount (the amount received back from the borrower) to its "federal" account. Excess funds must be returned to ED. Standard origination and Option 1 schools return the net adjustment amount to ED. Option 2 schools may use the funds to disburse to another eligible borrower. All schools send disbursement adjustment records reflecting an adjustment to ED. **The borrower is responsible for loan fees and accrued interest only on the total adjusted amount of the disbursement. If a borrower returns a portion of a disbursement directly to ED within 120 days of the disbursement date, the borrower must include with the payment a letter that explains that the disbursement should be adjusted. If the borrower includes this letter, the borrower will be responsible only for the loan fees and accrued interest on the adjusted amount of the disbursement. If no letter is included, the borrower will be responsible for the loan fees and accrued interest on the entire disbursement amount.**

[1] Within 120 days of the disbursement date.

Procedures for Direct Loan Cancellations and Payments on a Loan Balance

Disbursement Cancellations[1]

A disbursement cancellation is the return of the total disbursement amount received by the borrower, by either the school or the borrower, within 120 days of the disbursement date. Events that would create a *disbursement cancellation* include:

- The school determines that the disbursement should not have been made.
- The borrower requests a cancellation.
- The borrower returns to the school all funds that have been disbursed.
- There is a refund due under the Title IV refund policy that would result in a refund of the total amount disbursed.

An Option 2 school returns cancelled funds to its "federal" account when the school determines or has knowledge that an event listed above has happened. Excess funds are to be returned to ED. Standard and origination and Option 1 schools return the net cancellation amount to ED. Option 2 schools may use the funds to disburse to another eligible borrower. All schools send disbursement and cancellation records to the Direct Loan Origination Center. **ED will cancel a borrower's disbursement if the borrower or the school returns the full amount of a disbursement to ED within 120 days of the disbursement date. The borrower is not responsible for loan fees and accrued interest for a cancelled disbursement.**

Payment of a Loan Balance[2]

A partial or total disbursement returned for any reason, by either the school or the borrower, 121 days or more after the date of the disbursement does not reduce the loan amount borrowed. Rather, the payment is applied to the borrower's account just like any other regular payment. When making a payment, the school or borrower must send a check to ED with the appropriate information needed to apply the amount to the borrower's account. ED, upon receiving the check, applies the payment amount to late charges, collection fees, and outstanding interest before crediting it to the principal balance. **The borrower is responsible for loan fees and accrued interest on the original amount of the loan.**

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[1] Within 120 days of the disbursement date.

[2] After the 120-days cancellation/adjustment period.

SCENARIOS

Work in your groups to complete the following scenarios. Assume the COA for each student attending Jackson College is $4,000 and that his or her EFC is $0.

1

Joshua plans to attend Jackson College. His subsidized loan for $4,000 is certified, but the loan proceeds have not yet been received by the school. The aid administrator learns that Joshua has just been awarded a full $4,000 scholarship from a foundation. Is this an overaward or an overpayment?

What does the school need to do?

2

Arlene has an aid package for Jackson College as follows:

Pell Grant	**$2,000**
FSEOG	**$1,000**
Subsidized Loan	**$1,000**
TOTAL	**$4,000**

The subsidized loan proceeds have been received by the school, but not yet delivered to Arlene, when she receives a $1,500 civic-club scholarship. Is this an overaward or an overpayment?

What does the school need to do?

What will Arlene's new financial aid package look like?

3

Bruce has an aid package to attend Jackson College as follows:

Pell Grant	**$1,000**
FSEOG	**$1,000**
FWS	**$1,000**
Subsidized Stafford Loan	**$1,000**
TOTAL	**$4,000**

The loan proceeds have been received by the school. The first installment of $500 has been delivered to Bruce when he receives a $700 scholarship.

Is this an overaward or an overpayment?

____

What does the school need to do?

____

____

What will Bruce's new financial aid package look like?

Resources

★ *Federal Student Financial Aid Handbook:*
Federal Pell Grant Program Reference, p.90
Federal Campus-Based Programs Reference, Part 1, pgs.9-10
Direct Loan and FFEL Programs Reference, pgs.20 & 37
Student Eligibility Reference, pgs.59 & 223

Answer Key

Checkpoint #1 – Pell Grant Overpayments

1) **All three statements are true.**
2) **A and C are true, but B is not.**
3) **A and B are true.**
4) **B is true.**

Checkpoint #2 – Correcting Campus-Based Overawards

1) **Yes, it creates an overaward.**
2) **$900.**
3)

Pell Grant	**$2,700**
FSEOG	**$3,000**
Perkins	**$1,100**
FWS	**$1,200**
Scholarship	**$ 900**
TOTAL	**$8,900**

Checkpoint #3 – More Campus-Based Overawards

1) **Nothing, since the scholarship only creates a $50 overaward.**
2) **Nothing, since the scholarship only creates a $300 overaward.**
3) **The school must reduce the FSEOG award by $800, since the scholarship now creates an award beyond the threshold ($800).**
4) **The job is non-need based, so the school does not have to do anything.**
5) **If she has earned $201 or more, then the $500 scholarship creates an overaward beyond the $300 threshold. The school must reduce her FSEOG.**

   If she has earned $200 or less on her FWS job, the overaward is at or below $300. This means the school does not have to take any action.

Scenarios

1) **Overaward. The school must cancel the subsidized loan.**
2) **Overaward. The school must cancel and return the loan, and reduce Arlene's FSEOG by $500.**
3) **Overaward. The school must cancel Bruce's second loan disbursement, and reduce his campus-based award (either the FSEOG, the FWS, or a combination) by $200.**

Session 10(a)

Federal Pell Grants, Definitions, Formulas & Special Issues

Questions we will answer during this session:

What are the key definitions to know regarding Pell?

How do you select a Pell Grant formula?

What are some special issues regarding Pell?

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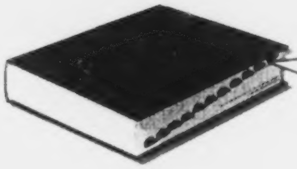
What are the key definitions to know regarding Pell?



Academic Year
vs.
Award Year

Academic Year: (defined in hours, weeks, and terms)

Statutory Definition of an Academic Year

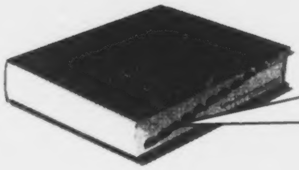
Academic Progress Measured By:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

* Number of hours that a student enrolled full time is expected to complete in a full academic year.

- While the above are minimum required definitions of an academic year, the actual length of instructional time in the program in weeks or hours may be more or less than the definitions.

Award Year:

- July 1 through June 30 each year
- Includes **all** weeks/terms when instruction occurs
    - school could have two-term academic year (fall/spring) with three-term award year (fall/spring/summer)



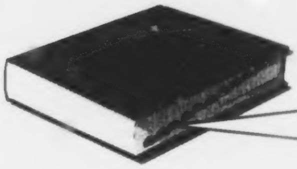
Standard Term
vs.
Nonstandard Term

Standard Term:

- semesters, trimesters, quarters
- full time = 12 credits/term

Nonstandard Term:

- any term that is not standard, like:
  - a summer with 6 credits as full time; or
  - a 15-week fall with 10 credits as full time



Scheduled Award
vs.
Annual Award

Scheduled Award:

- maximum Pell student can receive if enrolled full time for full academic year
- student can receive just one per year

Annual Award:

- based on student's true enrollment status (full, 3/4, 1/2, < 1/2) for term-based, credit-hour schools
  - if student is full time, Scheduled Award = Annual Award

- for nonterm-credit and all clock-hour schools, all students are considered full time for calculation purposes
  - Scheduled Award = Annual Award

Checkpoint #1: Definitions

In each sentence, circle or underline the correct word whenever you have a choice of words.

1. **The** ***award / academic*** **year is always July 1 through June 30.**

2. **The definition of academic year for each program must be a** ***minimum / maximum*** **of** ***28 / 30*** **weeks.**

3. **Regardless of the definition of the program's academic year, the reality may be** ***less / more / less or more*** **than that definition.**

4. **Program A is 29 weeks and 870 clock hours long. While the** ***reality / definition*** **of the program's length is 29 weeks and 870 hours, the** ***reality / definition*** **of the program's academic year must be at least 30 weeks and 900 hours.**

5. **Program B consists of two 13-week terms. While the** ***reality / definition*** **of the program's length is 26 weeks, the** ***reality / definition*** **of the program's academic year must be at least 30 weeks.**

6. **A school has a fall term and a spring term, each which requires 12 credits for full time. In the summer, full time is 8 credits. Only the** ***fall / spring / summer*** **term is** ***standard / nonstandard.***

7. **The same school has an optional winter intersession during which full time is 12 credits. For Pell purposes, this intersession is** ***standard / nonstandard.***

8. **At a term-based school, a full-time student's Scheduled Award** ***will / will not / may*** **equal his or her annual award.**

9. **At a nonterm school, two students have the same COA and EFC. Student A is enrolled for 23 clock hours per week. Student B is enrolled for 30 clock hours per week. Student B's annual award** ***will / will not*** **differ from Student A's annual award.**

10. **A student can receive a maximum of** ***1 / 2 / 3*** **Scheduled Award(s) per award year.**

How do you select a Federal Pell Grant formula?

Selecting Federal Pell Grant Formulas

Formula 1	Formula 2	Formula 3*	Formula 4	Formula 5
Credit-Hour Programs			**Credit or Clock-Hour Programs**	**Correspondence Study****
Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters) May include summer as long as full time is 12 credits		Nonstandard terms or standard terms	Credit hours without terms or any clock-hour programs	Correspondence coursework
2 semesters/trimesters or 3 quarters offered in fall through spring		Academic calendar may be offered in any time frame	Academic calendar may be offered in any time frame	Schedule for submission of lessons based on 12 hours per week (nonterm) **or** 30 hours per semester/trimester **or** 20 hours per quarter
No overlapping terms		Terms may overlap	Not applicable	Not applicable
At least 30 weeks of instructional time in fall through spring terms***	**Less than** 30 weeks of instructional time in fall through spring terms***	Academic calendar may be more, less, or equal to 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time
Full-time □ 12 credit hours for **every** term in the award year		**Standard term:** Full-time □ 12 credit hours **Nonstandard term:** Full-time is calculated according to regulatory formula 690.63(d)	(Full-time Payment Schedule is always used, award is adjusted based on scheduled hours)	(Half-time Disbursement Schedule is always used)

* For a summer mini-session, use Formula 3

** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable

*** Under certain circumstances the U.S. Department of Education (ED) may grant a school permission to use an academic year of fewer than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by ED.

Checkpoint #2: Choosing a Pell Grant Formula

1) Alexandria State University defines its academic year as 30 weeks and two terms (fall and spring). The actual length of each term is 14 weeks of instructional time; full-time is 12 credits per term. Alexandria offers a summer term with full-time as 12 credits.

Which formula(s) apply to the programs at this school? __________

2) Julian Institute defines its academic year as 30 weeks and two terms (fall and spring). Each term is 15 weeks of instructional time; full time is 12 credits per term. Julian offers two summer mini-sessions, with full time as 6 credits for each separate session.

Which formula(s) apply to the programs at this school? __________

3) New West College defines its academic year as 30 weeks and three quarters (fall, winter, and spring). Each quarter is 10 weeks of instructional time; full time is 12 credits per term. New West offers a summer session in which full time is 12 credits.

Which formula(s) apply to the programs at this school? __________

4) Horizon Technical College defines its academic year as 30 weeks and 24 credit hours. There are no terms used.

Which formula(s) apply to the programs at this school? __________

5) Now consider your school.

Which formula(s) apply to your school? __________

What are some special issues regarding Pell?

Crossover Payment Periods

- If payment period crosses award years, school may pay student from either award year. However, if 6 months of a payment period fall in one award year, funds must be paid from that award year.
- For instance, payment period starts in May, ends in August; pay student from either award year.

Recalculating Pell

- Must recalculate if EFC changes due to verification, corrections, updating, or professional judgment.
- Must recalculate if student's enrollment status changes from one term to another.
- Otherwise, recalculation is optional.

Transfer Students

- If the student transfers during award year, the student can still only get one Scheduled Award. To figure out how much the student can get at the new school:

  1) calculate percentage of Scheduled Award student received at first school
  2) subtract that percentage from 100%
  3) calculate Scheduled Award for new school
  4) only award student for percentage remaining

- Example:

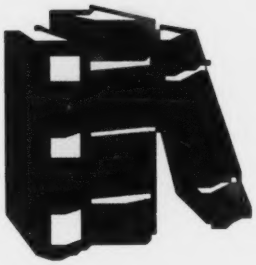
  Scheduled Award at School A is $1,000. Student receives $600 before transferring (60% of Scheduled Award).

  At School B, Scheduled Award is $1200. Student only eligible for 40% of that award, or $480.

Transfer Test

Jenna's Scheduled Award at School A is $3,000. She receives $750 before transferring to School B. At School B, because of a lower COA, Jenna's Scheduled Award drops to $2,000. What is the maximum amount in dollars that Jenna could receive at School B? (Assume Jenna is enrolled full time in a one-year program.) $__________

We'll miss you!
Welcome!



Resources

- ★ *Federal Student Financial Aid Handbook: Federal Pell Grant Program Reference*
- ★ 34 CFR 690

Answer Key

Checkpoint #1: Definitions

1. award
2. minimum, 30
3. less or more
4. reality, definition
5. reality, definition
6. summer, nonstandard
7. standard
8. will
9. will not
10. 1

Checkpoint #2: Choosing a Pell Grant Formula

1) **Formula 2 or 3**
2) **Formula 3** (unless you combine the summer terms to form one 12-credit term; then Formula 1 would work, too)
3) **Formula 1 or 3**
4) **Formula 4**

Transfer Test

Jenna can receive $1,500, which is 75% of her Scheduled Award at School B.

Session 10(b)

Calculating Federal Pell Grant Awards: Term-Based, Credit-Hour Programs

Questions we will answer during this session:

How do you calculate Pell Grants using Formula 1?

How do you calculate Pell Grants using Formula 3?

How do you calculate Pell Grants using Formula 1?

Standard-term, credit-hour programs, with 30 weeks of instructional time (or waiver applies)

Enrollment for at least 12 credit hours each term required for full-time status

Program terms do not overlap

Academic calendar includes 2 semesters/trimesters (fall and spring) or 3 quarters (fall, winter, and spring).

Fall through spring terms equal at least 30 weeks of instructional time, or at least 26 weeks of instructional time if the program was granted a waiver of the minimum 30-week academic year requirement

STEP 1: Determine Enrollment Status

Full time, three-quarter time, half time, or less than half time

STEP 2: Calculate Pell COA

Full-time, full academic-year costs

STEP 3: Determine Annual Award

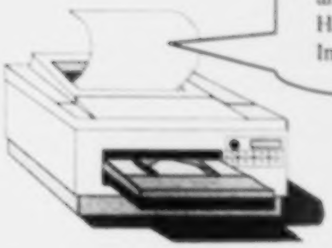
If the student's enrollment status is full-time, the annual award is taken from the full-time Payment Schedule (Scheduled Award). If the student's enrollment status is 3/4-time, 1/2-time, or less than 1/2-time, the annual award is taken from the appropriate part-time Disbursement Schedule.

STEP 4: Determine Payment Periods

Payment period is the academic term

STEP 5: Calculate Payment for a Payment Period

$$\frac{\text{Annual award}}{\text{Number of payment periods in the program's definition of academic year}}$$



Remember, this chart, the charts on pages 3 through 6, and anything else you find in the Federal Student Financial Aid Handbook, can be accessed and printed. Just go to the Internet site http://ifap.ed.gov!!

Full Time

Federal Pell Grant Program

Regular Payment Schedule for Determining Full-Time Scheduled Awards in the 2000-2001 Award Period

December 1999

Cost of Attendance	Expected Family Contribution																																
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 9999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	550	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	650	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	750	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	850	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	950	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	1050	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	1150	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	1250	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1350	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1450	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1550	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1650	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1750	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1850	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1950	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	2050	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	2150	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	2250	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	2350	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0
2400 - 2499	2450	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0
2500 - 2599	2550	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0
2600 - 2699	2650	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0
2700 - 2799	2750	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0
2800 - 2899	2850	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0
2900 - 2999	2950	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0
3000 - 3099	3050	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0
3100 - 3199	3150	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0
3200 - 3299	3250	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0
3300 - 99999	3300	3250	3150	3050	2950	2850	2750	2650	2550	2450	2350	2250	2150	2050	1950	1850	1750	1650	1550	1450	1350	1250	1150	1050	950	850	750	650	550	450	400	400	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

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3/4 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Three-Quarter-Time Annual Awards in the 2000-2001 Award Period

December 1999

	Expected Family Contribution																																
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 9999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	413	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	488	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	563	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	638	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	713	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	788	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	863	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	938	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1013	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1088	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1163	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1238	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1313	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1388	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1463	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1538	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1613	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1688	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	1763	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	1838	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0
2500 - 2599	1913	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0
2600 - 2699	1988	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0
2700 - 2799	2063	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0
2800 - 2899	2138	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0
2900 - 2999	2213	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0
3000 - 3099	2288	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0
3100 - 3199	2363	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0
3200 - 3299	2438	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0
3300 - 99999	2475	2438	2363	2288	2213	2138	2063	1988	1913	1838	1763	1688	1613	1538	1463	1388	1313	1238	1163	1088	1013	938	863	788	713	638	563	488	413	400	400	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

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1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Half-Time Annual Awards in the 2000-2001 Award Period

December 1999

	Expected Family Contribution																																
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 9999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	425	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	475	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	525	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	575	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	625	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	675	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	725	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	775	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	825	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	875	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	925	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	975	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1025	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1075	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1125	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	1175	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	1225	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	1275	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
2600 - 2699	1325	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0
2700 - 2799	1375	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0
2800 - 2899	1425	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0
2900 - 2999	1475	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0
3000 - 3099	1525	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0
3100 - 3199	1575	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0
3200 - 3299	1625	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0
3300 - 99999	1650	1625	1575	1525	1475	1425	1375	1325	1275	1225	1175	1125	1075	1025	975	925	875	825	775	725	675	625	575	525	475	425	400	400	400	400	0	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

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< 1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining
Less-Than-Half-Time Annual Awards in the 2000-2001 Award Period

December 1999

	Expected Family Contribution																																
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 9999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	413	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	438	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	463	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	488	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	513	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	538	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	563	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	588	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	613	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	638	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	663	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2700 - 2799	688	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2800 - 2899	713	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2900 - 2999	738	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
3000 - 3099	763	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0
3100 - 3199	788	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0
3200 - 3299	813	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0
3300 - 99999	825	813	788	763	738	713	688	663	638	613	588	563	538	513	488	463	438	413	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above

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Practice – Formula 1, Steps 1 to 3

O'Ryan College defines its academic year as 30 weeks and two terms (fall and spring). Each term has 15 weeks; full time is 12 credits per term. Bill is enrolled for 12 credits in each term. His EFC is 375, while his cost of attendance is $3,350.

Step 1: Enrollment Status

Fall Enrollment: __________

Spring Enrollment: __________

Step 2: COA

Bill's COA = $__________

Step 3: Annual Award

Bill's Annual Award = $__________

Janet is enrolled in the same program as Bill. She is enrolled for 12 credits in the fall, and 6 credits in the spring. Her EFC is 1,050, and her COA is also $3,350.

Step 1: Enrollment Status

Fall Enrollment: __________

Spring Enrollment: __________

Step 2: COA

Janet's COA = $________

Step 3: Annual Award

Janet's fall annual award = $______________

Janet's spring annual award = $______________

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Practice – Formula 1, Steps 4 and 5

Student:	Bill
Fall Annual Award:	$2,775
Spring Annual Award:	$2,775

Step 4: Payment Periods

Bill's payment periods are ____________________

Step 5: Payment per Payment Period

Fall (annual award ÷ 2) $____________________

Spring (annual award ÷ 2) $____________________
(see rules for rounding at bottom of this page)

Student:	Janet
Fall Annual Award:	$2,075
Spring Annual Award:	$1,038

Step 4: Payment Periods

Janet's payment periods are ____________________.

Step 5: Payment per Payment Period

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Fall (annual award ÷ 2) $____________________

Spring (annual award ÷ 2) $____________________

Rounding Rules:

- **If number of terms is *even*, alternate rounding; whether you round up or down to start depends on the size of the decimal of the 1st term only (up if .5 or higher); disregard the decimal for all other terms.**
- **If *three* terms, round one way for the first two, and the other for the 3rd; whether you round up or down the first two terms depends on the size of the decimal of the 1st term only (up if .5 or higher); disregard the decimal for all other terms.**

Case Study

Directions: Complete the 5 Pell calculation steps for the sample student below.

Woodride College works on the quarter system. The school defines its academic year for all programs as 30 weeks and three quarters (fall, winter, and spring). Full time in each quarter is 12 credits.

Larry is enrolled for 6 credits in each quarter. His Cost of Attendance is $3,115. His EFC is 150.

Step 1 – Enrollment Status

Fall - ____________________
Winter - ____________________
Spring - ____________________

Step 2 – Cost of Attendance

Larry's COA = $________________

Step 3 – Annual Award

Fall Annual Award = $_________
Winter Annual Award = $_________
Spring Annual Award = $_________

Step – Payment Periods

Larry's Payment Periods are ________________________________.

Step – Payment per Period

During each quarter, Larry will receive $__________________.

How do you calculate Pell Grants using Formula 3?

Any term-based, credit-hour programs; may include those qualifying for Formulas 1 and 2

STEP 1: Determine Enrollment Status

Full time, three-quarter time, half time, or less than half time

STEP 2: Calculate Pell COA

Full-time, full academic year costs

Cost for program or period not equal to academic year prorated. Two fractions compared:

$$\frac{\text{Hours in program's definition of academic year}}{\text{Hours to which the costs apply}}$$

$$\frac{\text{Weeks of instructional time in program's definition of academic year}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA.

STEP 3: Determine Annual Award

If the student's enrollment status is full-time, the annual award is taken from the full-time Payment Schedule (Scheduled Award). If the student's enrollment status is 3/4-time, 1/2-time, or less than 1/2-time, the annual award is taken from the appropriate part-time Disbursement Schedule.

STEP 4: Determine Payment Periods

Payment period is the academic term

STEP 5: Calculate Payment for a Payment Period

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in the term}}{\text{Weeks of instructional time in program's definition of academic year}}$$

A single disbursement may not exceed 50% of the annual award

Practice – Formula 3, Steps 1, 2, & 3

Rhodes Academy defines its academic year for all programs as 30 weeks and 24 credit hours. The Music Arts program is divided into four 8-week terms. Full time for each term is 6 credit hours. The cost of the program is $5,250.

Shira is enrolled in this program. Her EFC is 1100. She is enrolled for 4 credit hours in each of the first two terms, and 8 credit hours in each of the last two terms.

Step 1: Enrollment Status

Term 1: __________ Term 3: __________

Term 2: __________ Term 4: __________

Step 2: COA

Multiply COA by lesser of two fractions below:

# of hours in program's definition of academic year*

# of hours of actual instructional time

*statutory minimum 24 semester or trimester hours, 36 quarter hours, or 900 clock hours

# of weeks in program's definition of academic year**

# of weeks of actual instructional time

**statutory minimum of 30 weeks

COA of program X Lesser of two fractions = Pell Grant COA

Practice – Formula 3, Steps 1, 2, & 3 (cont'd)

Step 3: Annual Award

Term 1: __________ Term 3: __________

Term 2: __________ Term 4: __________

Practice – Formula 3, Steps 4 & 5

Step 4: Payment Periods

Shira has _____ payment periods.

Step 5: Payments per Period

$$\text{Annual Award} \times \frac{\text{Weeks of instructional time (in p.p.)}}{\text{Weeks of instructional time in program's definition of academic year}}$$

Remember!

Term 1: __________ Term 3: __________

Term 2: __________ Term 4: __________

Case Study

Marie is enrolled at Julian Institute (JI). The academic year for her program is defined as 36 quarter hours and 30 weeks. JI has three 10-week quarters. Full time for each quarter as 12 credits.

Julian Institute also offers two 5-week summer mini-sessions. Full time during each summer session is 6 credits.

Marie is in a 30-week, 36-quarter- hour program. Her COA is $5,400. Her less-than-half-time COA is $2,300 (because room & board, as well as personal expenses, are excluded). Her EFC is 1,350.

She will not enroll during the fall quarter. She will enroll for 4 credits during the winter, 12 credits during the spring, and 6 credits in each of the summer sessions.

Step 1: Enrollment Status

Fall: __________ Summer 1: __________

Winter: __________ Summer 2: __________

Spring: __________

Step 2: Cost of Attendance

Regular Pell COA: __________

Less-than-half-time COA: __________

Step 3: Annual Award

Winter: __________ Summer 1: __________

Spring: __________ Summer 2: __________

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☐ Step 4: Determine Payment Periods

Marie's payment periods are ________, ________, ________, & ________.

☐ Step 5: Payment per Payment Period

$$\text{Annual Award} \times \frac{\text{Weeks of instructional time (in p.p.)}}{\text{Weeks of instructional time in program's definition of academic year}}$$

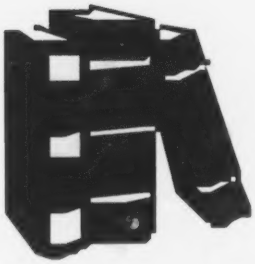
Remember!

Winter: __________

Spring: __________

Summer 1: __________

Summer 2: __________



Resources

- *Federal Student Financial Aid Handbook: Federal Pell Grant Program Reference*
- 34 CFR 690
- Dear Colleague Letter P-99-2 (Pell Payment Schedules)

Answer Key

Practice – Formula 1, Steps 1 to 3

Bill
Step 1: fall and spring enrollment – **full time**
Step 2: COA - **$3,350**
Step 3: Annual Award – $**2,950**

Janet
Step 1: fall – **full time**; spring – **half time**
Step 2: COA - **$3,350**
Step 3: fall Annual Award - **$2,250**
spring Annual Award - **$1,125**

Practice – Formula 1, Steps 4 and 5

Bill
Step 4: **fall and spring** are payment periods
Step 5: **$1,475** for fall; **$1,475** for spring

Janet
Step 4: **fall and spring** are the payment periods
Step 5: **$1,125** for fall; **$562** for spring

Case Study – Larry

Step 1: **½ time** for full year
Step 2: COA - **$3,115**
Step 3: Annual Award - **$1,482/quarter**
Step 4: **Three payment periods**
Step 5: **$500/quarter**

Answer Key (cont'd)

Practice – Formula 3, Steps 1, 2, & 3

Step 1: 1st & 2nd term - **half time**
3rd and 4th term - **full time**

Step 2: $5,250 x 30/32 = **$4,922**

Step 3: 1st & 2nd term = **$1,125**
3rd & 4th term = **$2,250**

Practice – Formula 3, Steps 4 & 5

Step 4: Four

Step 5: 1st term = **$300**
2nd term = **$300**
3rd term = **$600**
4th term = **$600**

Case Study - Marie

Step 1: Fall – **not enrolled**
Winter – **less-than-half-time**
Spring – **full time**
Summer 1 – **full time**
Summer 2 – **full time**

Step 2: Regular Pell COA - **$5,400**
Less-than-half-time Pell COA - **$2,300**

Step 3: Winter - **$400**
Spring - **$1,950**
Summer 1 - **$1,950**
Summer 2 - **$1,950**

Step 4: **Four payment periods (winter, spring summer 1 & 2)**

Step 5: **Winter = $133**
Spring = $650
Summer 1 = $325
Summer 2 = $325

Session 10(c)

Calculating Federal Pell Grant Awards Nonterm Credit-Hour & All Clock-Hour Programs

Questions we will answer during this session:

How do you calculate Pell Grants using Formula 4?

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How do you calculate Pell Grants using Formula 4?

Clock-hour programs and credit-hour programs without terms

STEP 1: Determine Enrollment Status

At least half time or less than half time

STEP 2: Calculate Pell COA

Full-time, full academic year costs

Cost for program or period not equal to academic year prorated. Two fractions compared:

$$\frac{\text{Hours in program's definition of academic year}}{\text{Hours to which the costs apply}}$$

$$\frac{\text{Weeks of instructional time in program's definition of academic year}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA

STEP 3: Determine Annual Award

Always taken from full-time Payment Schedule (equal to Scheduled Award)

STEP 4: Determine Payment Periods

Length of payment period measured in credit or clock hours.

Minimum of 2 equal payment periods required for programs shorter than an academic year, or 2 equal payment periods in each full academic year (or final portion longer than half an academic year) for programs longer than or equal to an academic year.

STEP 5: Calculate Payment for a Payment Period

Annual award is multiplied by two fractions:

(1) Annual award x the lesser of:

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in program's definition of academic year}}$$

OR

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in academic year}}{\text{Weeks of instructional time in program's definition of academic year}}$$

OR

One (1)

(2) The results of (1) are then multiplied by:

$$\frac{\text{Hours in a payment period}}{\text{Hours in program's definition of academic year}}$$

A single disbursement may not exceed 50% of the annual award

Remember, this chart and anything else you find in the Federal Student Financial Aid Handbook can be accessed and printed. Just go to the Internet site http://ifap.ed.gov!!

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Practice – Formula 4, Steps 1 and 2

Tiptoe School of Ballet defines its academic year for all programs as 900 clock hours and 30 weeks. The school defines full time as 30 clock hours per week.

Helen's program is 800 clock hours and 27 weeks of instructional time. Her COA is $5,538, and her EFC is 375. Helen is enrolled for 30 clock hours per week.

Step 1: Enrollment Status

Helen's enrollment status is: ____ at least 1/2 ____ less than 1/2

Step 2: COA

Multiply COA by lesser of two fractions below:

# of hours in program's definition of academic year*

# of hours of actual instructional time

*statutory minimum 24 credit or 900 clock hours

# of weeks in program's definition of academic year**

# of weeks of actual instructional time

**statutory minimum of 30 weeks

COA of program		Lesser of two fractions		Pell Grant COA
	X		=	

Full Time

Federal Pell Grant Program
Regular Payment Schedule for Determining
Full-Time Scheduled Awards in the 2000-2001 Award Period
December 1999

Cost of Attendance	Expected Family Contribution																																
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 9999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	550	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	650	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	750	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	850	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	950	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	1050	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	1150	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	1250	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1350	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1450	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1550	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1650	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1750	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1850	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1950	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	2050	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	2150	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	2250	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	2350	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0
2400 - 2499	2450	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0
2500 - 2599	2550	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0
2600 - 2699	2650	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0
2700 - 2799	2750	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0
2800 - 2899	2850	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0
2900 - 2999	2950	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0
3000 - 3099	3050	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0
3100 - 3199	3150	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0
3200 - 3299	3250	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0
3300 - 99999	3300	3250	3150	3050	2950	2850	2750	2650	2550	2450	2350	2250	2150	2050	1950	1850	1750	1650	1550	1450	1350	1250	1150	1050	950	850	750	650	550	450	400	400	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

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Practice – Formula 4, Step 3

Student:	Helen
Enrollment:	At least 1/2 time
Pell COA:	$6,153

Step 3: Annual Award

Helen's Annual Award: $______________

Defining Payment Periods

If the program is one academic year or less in length, divide it into at least two equal payment periods.

Example 1: 900 clock-hour academic year

880-Clock-Hour Program

440 Clock Hours **440 Clock Hours**

If the program is longer than one academic year, and the remainder of the program is less than or equal to one half of an academic year, the final payment period is the final portion of the program.

Example 2: 900 clock-hour academic year

1200-Clock-Hour Program

450 Clock Hours **450 Clock Hours** Year 1

300 Clock Hours Year 2

If the program is longer than 1.5 year, but less than 2 years, the final portion of the program is divided into at least 2 equal payment periods.

Example 3: 900 clock-hour academic year

1600-Clock-Hour Program

450 Clock Hours **450 Clock Hours** Year 1

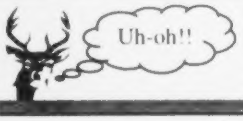
350 Clock Hours **350 Clock Hours** Year 2

Checkpoint #1: Payment Periods

Hale University uses a 900-clock-hour academic year. Their mountain climbing program is 1650 clock hours long. Their taxidermy program is 1250 clock hours long.

Divide Mountain Climbing into payment periods:

1st Year:		
2nd Year:		



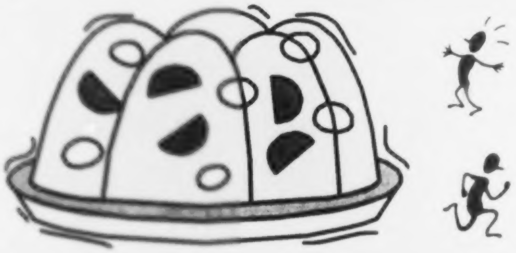
Divide Taxidermy into payment periods:

1st Year:		
2nd Year:		

The Food Institute is a nonterm credit-hour school. Each academic year is 24 credit hours. Their Dessert Design program is 64 credit hours long.

Divide the Dessert Design program into payment periods:

1st Year:		
2nd Year:		
3rd Year:		



Practice – Formula 4, Step 4

Now, back to Helen.

So far, we've determined the following: (see page 5)

Enrollment Status: ________________

Pell COA: ________________

Annual Award: ________________

Remember, Helen's program is 800 clock hours and 24 weeks of instructional time.

Step 4: Determine Payment Periods

[illegible] [illegible]

________________hours & ________________hours

Rounding Rules (for use in Step 5):

- **If the number of payment periods is *even*, alternate rounding; whether you round up or down to start depends on the size of the decimal of the 1st payment period only (up if .5 or higher); disregard the decimal for all other payment periods.**
- **If there are *three* payment periods, round one way for the first two, and the other for the 3rd; whether you round up or down the first two payment periods depends on the size of the decimal of the 1st payment period only (up if .5 or higher); disregard the decimal for all other payment periods.**

Practice – Formula 4, Step 5

Step 5: Payment per Payment Period

> Remember, the school defines its academic year as 900 clock hours and 30 weeks. The program is 800 clock hours and 27 weeks.

Determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program

Weeks of instructional time in program's definition of academic year (30 min.)

Weeks of instructional time for a full-time student to complete hours in the definition of academic year

Weeks of instructional time in program's definition of academic year (30 minimum)

Determine the adjusted annual award:

(lesser of two fractions above or 1)

(Annual Award) $______ X ―――― = (A)

Calculate payment per payment period:

(A) X Hours in payment period / Hours in program's def. of academic year (min. 900) = 1st payment period & 2nd payment period

Helen receives two payments totaling $___________ for her program, enabling her to reach her artistic dream.

Case Study

Computer Training College (CTC) defines full time as 30 clock hours per week. An 840-clock-hour certificate program takes a full-time student 28 weeks of instructional time to complete. The academic year is defined as 900 clock hours and 30 weeks. The cost of attendance for this program is $9,807.

Zoe Marshall plans to attend CTC for this program. She has an EFC of 168. She will attend 30 clock hours per week. Please complete Steps 1 through 5 to calculate Zoe's Pell payments.

Step 1: Enrollment Status

Zoe's enrollment status is ____________________.

Step 2: Cost of Attendance

Given COA - **$9,807**

Proration ratio fractions (choose lesser):

Hours in program's definition of academic year **900**

Hours of actual instructional time ____

Weeks in program's definition of academic year **30**

Weeks of actual instructional time ____

$9,807 X ______________ = $__________ (Pell COA)

Lesser of two fractions

Step 3: Annual Award

Zoe's annual award = $____________

Step 4: Determine Payment Periods

Zoe's program is 840 clock hours, which divides into two payment periods of __________ clock hours each.

Step 5: Payment per Payment Period

Determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program	
Weeks of instructional time in program's definition of academic year (minimum 30)	30

Weeks of instructional time for a full-time student to complete hours in the definition of academic year	30
Weeks of instructional time in program's definition of academic year (minimum 30)	30

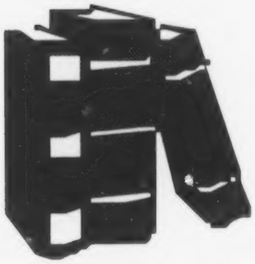
Determine the adjusted annual award:

(Annual Award) $__________ X ☐ / ☐ = ☐ (A)

Lesser of the two fractions or 1.

Calculate payment per payment period:

(A) ☐ X ☐ Hours in payment period / 900 Hours in program's def. of academic year = ☐ Payment Period 1 & ☐ Payment Period 2



Resources

- *Federal Student Financial Aid Handbook: Federal Pell Grant Program Reference*
- 34 CFR 690
- Dear Colleague Letter P-99-9 (Pell Payment Schedules)

Answer Key

Practice – Formula 4, Steps 1 and 2

Step 1: **at least half time**
Step 2: $5,538 X (30/27) = **$6,153**

Practice – Formula 4, Step 3

Step 3: **$2,950**

Checkpoint #1 – Payment Periods

Mountain Climbing (1650 clock hours)
First year: **2 payment periods of 450 clock hours each**
Second year: **2 payment periods of 375 clock hours each**

Taxidermy (1250 clock hours)
First year: **2 payment periods of 450 clock hours each**
Second year: **1 payment period of 350 clock hours**

Dessert Design (64 credit hours)
First year: **2 payment periods of 12 credit hours each**
Second Year: **2 payment periods of 12 credit hours each**
Third Year: **2 payment periods of 8 credit hours each**

Practice – Formula 4, Step 4

Step 4: **Two payment periods of 400 clock hours each**

Practice – Formula 4, Step 5

Step 5: Adjusted Annual Award - $2,775 X (27/30) = **$2,497**
Payment per Payment Period - $2,497 X (400/900) = **$1,110, $1,109**

Answer Key (cont'd)

Case Study – Zoe

Step 1: **at least half time**
Step 2: $9,807 X (30/28) or (900/840) = **$10,508**
Step 3: **$3,150**
Step 4: **Two payment periods of 420 clock hours**
Step 5: Adjusted Annual Award - $3,150 X (28/30) = **$2,940**
Payment per Payment Period - $2,940 X (420/900) =
$1,372 (P.P. 1) and $1,372 (P.P. 2)

Session 11

Campus-Based Programs

Questions we will answer during this session:

What are the similarities among the campus-based programs?

What are the eligibility, funding, and administrative requirements of each of the campus-based programs?

What are the rules for transferring campus-based funds?

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What are the similarities among the campus-based programs?

1. All three programs are administered by the school.

2. The school awards funds to students depending on, among other things, the amount of campus-based funds allocated to the school for that year.

3. The school applies for and reports on campus-based funds annually using the electronic Fiscal Operations Report and Application to Participate (FISAP).

4. Each year, the school must match federal funds with nonfederal funds.

5. Schools must use a "reasonable" percentage of their federal portion to pay "nontraditional" students (independent students enrolled less than full time).

6

The school is allowed to take an administrative cost allowance (ACA) from the federal portion to help offset the costs of the campus-based programs.

Administrative Cost Allowance (ACA) Calculation:

5% of the first $2,750,000 of expenditures

+ 4% of expenditures greater than $2,750,000 but less than $5,500,000

+ 3% of expenditures greater than $5,500,000

What are the eligibility, funding, and administrative requirements for each campus-based program?

Federal Supplemental Educational Opportunity Grants (FSEOG)

Considerations in Awarding FSEOG:

- ✓ Award Pell recipients with lowest EFCs first
- ✓ Award non-Pell recipients with the lowest EFCs second
- ✓ Reserve "reasonable" percentage of funds for independent students enrolled less-than-full time
- ✓ If rolling admissions, reserve funds for all start dates
- ✓ You must develop a written selection procedure

What types of issues do you currently face, or what kinds of issues do you anticipate facing, in selecting FSEOG recipients?

____

____

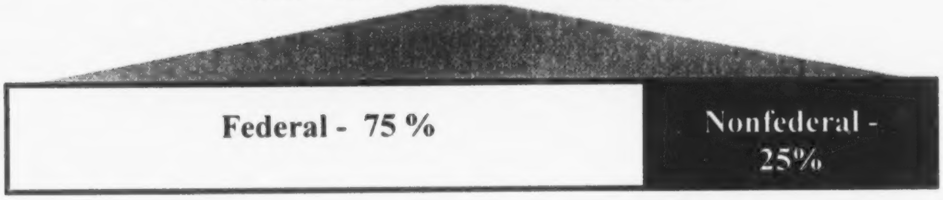
____

____

Minimum Award = $100
Maximum Award = $4,000

FSEOG Matching Requirements

Total FSEOG Available to Disburse



☑ Checkpoint #1: FSEOG Matching

A school receives $75,000 of federal FSEOG funds for the award year. (All ACA will be taken out of Perkins.)

1) **The total FSEOG available for the year is __________.**

2) **The school's share will be ______________.**

Meeting the FSEOG Nonfederal Share

There are three methods by which schools may meet the nonfederal share of FSEOG: *fund-specific, individual-recipient*, or *aggregate*.

Fund-specific

Using this method, the total funds disbursed to all students break down into 75% federal, and 25% nonfederal.

Individual Recipient

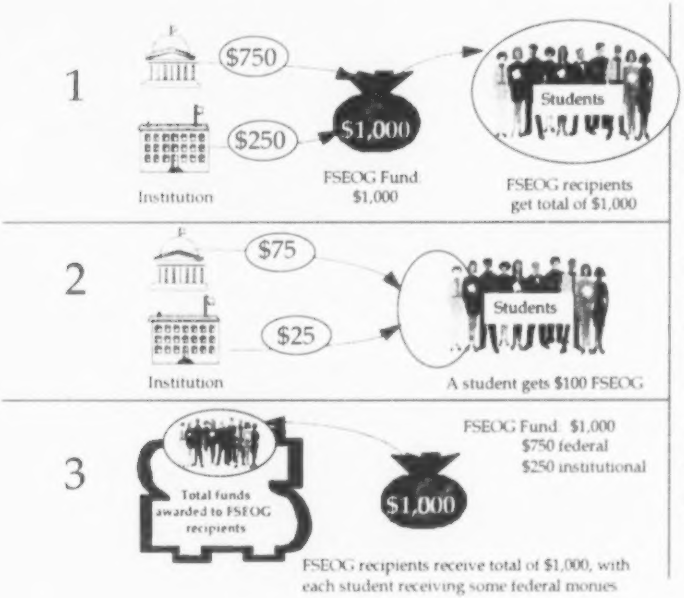
This method involves each individual student receiving 75% federal funds, and 25% nonfederal funds, in his or her FSEOG award.

Aggregate

Both federal and nonfederal funds are grouped together, and all students receive some federal money, although not necessarily 75% of their award is federal.

The following illustrates these three methods:

Three Methods to Meet Nonfederal Share


1
$750
$250
$1,000
Students
Institution
FSEOG Fund $1,000
FSEOG recipients get total of $1,000
2
$75
$25
Students
Institution
A student gets $100 FSEOG
3
Total funds awarded to FSEOG recipients
$1,000
FSEOG Fund: $1,000
$750 federal
$250 institutional
FSEOG recipients receive total of $1,000, with each student receiving some federal monies

This is meeting the nonfederal share on the fund-specific basis.

This is meeting the nonfederal share on the individual-recipient basis.

This is meeting the nonfederal share on the aggregate basis.

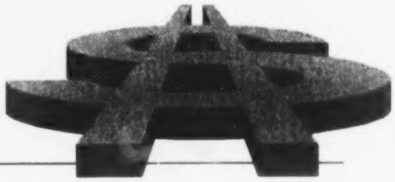
Federal Work Study (FWS)

Gross Wages

- Job-related expenses

- Applicable taxes

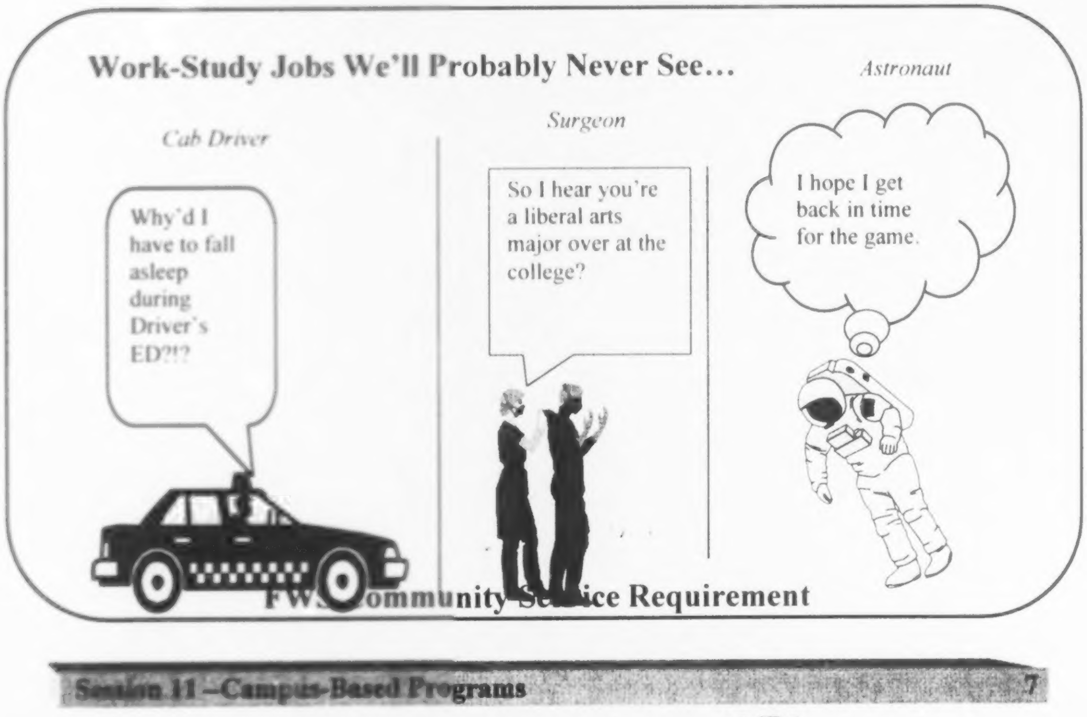
= STUDENT'S NET EARNINGS



Federal Work Study Job Descriptions

Job descriptions for FWS jobs should contain the following:

- name, address of student's employer
- purpose of student's job
- student's duties and responsibilities
- job qualifications
- job's wage rate or range
- length of student's employment
- name of student's supervisor


Work-Study Jobs We'll Probably Never See…
Cab Driver
Why'd I have to fall asleep during Driver's ED?!?
Surgeon
So I hear you're a liberal arts major over at the college?
Astronaut
I hope I get back in time for the game.

FWS Community Service Requirement

A school must expend at least 7% of its FWS federal allocation to pay students employed in community-service jobs. If the school later receives a supplemental allocation, then the school must expend the greater of:

- 7% of the new total allocation, or
- the amount of the supplemental allocation

To be sure 7% is **expended**, you should **award** more than 7%, in case some students decide not to take the jobs.

Checkpoint #2 – Community Service

Scenario A: A school receives $510,000 initial FWS allocation and $40,000 supplemental FWS allocation.

How much must the school expend to meet the community service requirement?

Scenario B: A school receives $250,000 initial FWS allocation and $10,000 supplemental FWS allocation.

How much must the school expend to meet the community service requirement?

FWS Matching Requirements

Private, for-profit
FWS employment

Federal - 50 % | **Nonfederal - 50 %**

Any other
FWS employment

Federal - 75 %* | **Nonfederal - 25 %**

*This can be as high as 90% if the student is working for a public or nonprofit agency without enough funding. This exception may not apply for more than 10% of a school's FWS students.

A school can pay the nonfederal share using its own funds, outside funds from an off-campus agency, or both.

- Also, the school has the option of paying the student the nonfederal share in the form of noncash contributions of services and equipment (tuition and fees, room and board, and books).

Remember, the federal share can be paid directly to the student, or credited to the student's account (with the student's authorization)!

Case Study

Directions: In the following scenario, find the four mistakes the school is making.

Sutton College receives a federal allocation of Federal Work Study funds in the amount of **$600,000**. FWS is Sutton College's only campus-based program.

All of the FWS jobs available to Sutton's students are with nonprofit agencies; all of these agencies do have funding to pay the students. With that in mind, the business office at Sutton calculates the required nonfederal match at **$200,000**. The total available to pay students is therefore **$800,000**.

Assuming they will expend the full $800,000, the school then anticipates its Administrative Cost Allowance as **$32,000**.

Not forgetting the community service requirement, Sutton officials decide that they must expend **$30,000**. So, they send award letters to potential FWS students to offer FWS jobs that would pay out **$30,000** over the course of the year.

One of the jobs, tutoring professors' young children in a reading program, is set up for **$4.50/hour**. The school decides that this program will serve both as part of the America Reads Challenge and the expenditures to pay students will help meet Sutton's 5% community service requirement.

Circle the 4 mistakes and correct them below.

1)

2)

3)

4)

Federal Perkins Loan Program

Annual Maximum - **$4,000** undergrad; **$6,000** grad
Aggregate Maximum - **$20,000** undergrad; **$40,000** grad
(aggregate for grad **includes** undergrad amount)

Perkins Matching Requirements

Total Allocation

Federal Capital Contribution (FCC) - 75 %

Institutional Capital Contribution (ICC) - 25%

You can think of the ICC as 1/3 of the FCC, or 1/4 of the total allocation.

Example:

FCC : $3,000	ICC: $1,000 (1/3 of FCC) (1/4 of Total)	Total: $4,000

Perkins Loan Counseling

When counseling Perkins borrowers before disbursing the money, include the following:

- *When the loan must be repaid;*
- *The borrower's rights and responsibilities; and*
- *Notification that the funds can only be used for educational purposes.*

Also, you're encouraged to provide other helpful information to students, including:

- *Preliminary debt counseling on total debt and repayment terms;*
- *Advising students to keep all records pertaining to the loan, including repayment records; and*
- *Reminding students to inform the school of any changes in addresses, names, or other information.*

Before we discuss your loan debt, is there anything I can offer you?

FEDERAL PERKINS LOAN PROMISSORY NOTE

Section A: Borrower Section

1. Name (last, first, middle initial) and Permanent Address (street, city, state, zip code)	**2. Social Security Number**
	3. Date of Birth
	4. Area Code/Telephone Number
	5. Driver's License Number (List state abbreviation first)

Section B: School Section

6. School Name & Address (street, city, state, zip code)	**7. Borrower Status** ☐ Half-time or greater ☐ Less than half-time	**8. Interest Rate** 5%

Loan Amount	*Loan Period*	*Date Signed*	*Borrower's Signature*

TERMS AND CONDITIONS:

[Any bracketed clause or paragraph may be included at option of institution.]

APPLICABLE LAW - The terms of this note and any disbursements made under this note shall be interpreted in accordance with Part E of Title IV of the Higher Education Act of 1965, as amended (hereinafter called the Act), as well as Federal regulations issued under the Act. All sums advanced under this note are subject to the Act and Federal regulations issued under the Act.

REPAYMENT - I am obligated to repay the principal and the interest that accrues on it to the above-named institution (hereinafter called the school) over a period beginning 9 months (or sooner if I am a less than a half-time borrower) after the date I cease to be at least a half-time student at an Institution of higher education or a comparable school outside the United States approved by the United States Secretary of Education (hereinafter called the Secretary) and ending 10 years later, unless I request in writing that my repayment period begin sooner. I understand that the school will report the amount of my installment payments, along with the amount of this loan to a national credit bureau. Interest on this loan shall accrue from the beginning of the repayment period. My repayment period may be shorter than 10 years if I am required by my school to make minimum monthly payments. Upon my written request my repayment period may be extended during periods of deferment, hardship, or forbearance and I may make graduated installments in accordance with a schedule approved by the Secretary. I will make my installment payments in equal monthly, bimonthly or quarterly installments as determined by the school. The school may round my installment payment to the next highest multiple of $5. [I will make a minimum monthly repayment of $40 (or $30 if I have outstanding Federal Perkins loans made before October 1, 1992 that included the $30 minimum payment option) in accordance with the Minimum Monthly Payment Section of the Terms and Conditions contained on the reverse side of this document.]

LATE CHARGES - The school will impose late charges if I do not make a scheduled payment when due or if I fail to submit to the school on or before the due date of the payment, a properly documented written request that I qualify for any of the forbearance, deferment or cancellation benefits as described below. No late charges may exceed 20% of my monthly, bimonthly or quarterly payment. The school may add the late charges to principal the day after the scheduled repayment was due or include it with the next scheduled repayment after I have received notice of the charge, and such notice is sent before the next installment is due.

REQUESTS FOR DEFERMENT, CANCELLATION OR FORBEARANCE - To receive deferment, cancellation, or forbearance benefits, I must make a written request to the school and must submit to the school any documentation the school requires to prove my eligibility for these benefits. I am responsible for submitting the appropriate requests on time, and I may lose my benefits if I fail to file my request on time.

DEFAULT - If I fail to make a scheduled payment when due; if I fail to submit to the school, on or before the due date of a scheduled payment, documentation that I qualify for a deferment, cancellation, or forbearance; or if I fail to comply with the terms and conditions of this promissory note or written repayment agreement, the school may, at its option, declare my loan to be in default and may accelerate my loan (demand immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges, and collection costs). The school, and the Secretary, if my loan is assigned to the Secretary for collection, shall disclose to credit bureau organizations that I have defaulted and all other relevant loan information. I will lose my right to defer payments and my right to forbearance if I default on my loan. I will lose my right to receive cancellation benefits for service that is performed after the date the school accelerated the loan. I will be ineligible for any further federal student financial assistance authorized under the Act until I make arrangements that are satisfactory to the school or the Secretary to repay my loan.

CHANGE OF STATUS - I will inform the school of any change in my name, address, telephone number, Social Security number, or driver's license number.

ASSIGNMENT - This note may be assigned by the school only to the United States. The provisions of this note that relate to the school shall where appropriate relate to the assignee.

PROMISE TO PAY. I promise to pay the school, or a subsequent holder of the Promissory Note, the sum of amount(s) advanced to me under the terms of this Note, plus interest and other fees which may become due as provided in this Note. I promise to pay all reasonable collection costs, including attorney fees and other charges, necessary for the collection of any amount not paid when due. I will not sign this Note before reading it, including the provisions on the reverse side. This loan has been made to me without security or endorsement. My signature certifies I have read, understand, and agree to the terms and conditions of this Promissory Note. THIS IS A LOAN(S) THAT MUST BE REPAID.

Borrower's Signature ______________________

Date: ______________________

Terms and Conditions (cont.)

HARDSHIP REPAYMENT OPTIONS - Upon my written request, if I qualify as a low-income individual during the repayment period, the school may extend the repayment period for up to an additional ten (10) years and may adjust any repayment schedule to reflect my income. Upon my written request, the school may extend the repayment period if, in its opinion, prolonged illness or unemployment prevent me from making the scheduled repayments during which time interest will continue to accrue. The school may permit me to pay less than the minimum monthly repayment rate for a period of not more than one year at a time if I experience a period of prolonged illness or unemployment except such action may not extend the repayment period beyond 10 years.

GRACE PERIODS - My initial grace period before beginning repayment is 9 months. If I am a Less-Than-Half-Time Borrower with outstanding Federal Perkins Loans, my repayment begins when the next scheduled installment of my outstanding loan is due. If I am a Less-Than-Half-Time Borrower with no outstanding Federal Perkins Loans, my repayment begins the earlier of: 9 months from the date my loan was made, or 9 months from the date I became less than a half-time student, even if I received the loan after I became a less than half-time student. My payments will resume after a post-deferment grace period of 6 months that follows deferments that apply to Federal Perkins loans.

PREPAYMENT - I may prepay all or any part of my unpaid loan balance, plus any accrued interest, at any time without penalty. Amounts I repay in the academic year in which the loan was made and before the initial grace period has ended will be used to reduce the amount of the loan and will not be considered a prepayment. If I repay amounts during the academic year in which the loan was made and the initial grace period ended, only those amounts in excess of the amount due for any repayment period shall be considered a prepayment. If, in an academic year other than the award year in which the loan was made, I repay more than the amount due for an installment, the excess will be used to repay principal unless I designate it as an advance payment of the next regular installment.

MINIMUM MONTHLY PAYMENT - I will make a minimum monthly repayment of $40 (or $30 if I have outstanding Federal Perkins loans made before October 1, 1992 that included the $30 minimum payment option) if required by the school. If the total monthly repayment rate on this loan and any outstanding Federal Perkins loans I may have is less than the minimum monthly repayment rate established by the school, the school may still require a minimum monthly repayment rate. A minimum monthly repayment amount will combine my obligation on this and all my outstanding Federal Perkins loans, including those made at other schools. The portion of the minimum monthly payment that will be applied to this loan will be the difference between the minimum monthly payment and the total amounts owed at a monthly rate on my other Federal Perkins loans. If each school holding my outstanding Federal Perkins loans exercises the minimum monthly payment option, the minimum monthly repayment will be divided among the schools in proportion to the amount of principal advanced by each school.

FORBEARANCE - Upon making a properly documented written request to the school, I am entitled to forbearance of principal and interest or principal only, renewable at intervals up to 12 months for periods that collectively do not exceed three years, under the following conditions. If my monthly Title IV loan debt burden equals or exceeds 20% of my total monthly gross income, if the Secretary authorizes a period of forbearance due to a national military mobilization or other national emergency, or if the school determines that I qualify due to poor health or for other reasons, including service in AmeriCorps. Interest accrues during any period of forbearance.

DEFERMENTS - Upon making a properly documented written request to the school, I may defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue 1) during any period that I am: enrolled and attending as a regular student in at least a half-time course of study at an eligible school, enrolled and attending as a regular student a graduate fellowship program approved by the Secretary, engaged in graduate or post-graduate fellowship-supported study outside the US; enrolled and attending a rehabilitation training program for disabled individuals approved by the Secretary, engaged in public service that qualifies me to have part or all of my loan canceled; 2) for a period not to exceed three years during which I am seeking but unable to find full-time employment; 3) for a period not to exceed three years during which I am experiencing an economic hardship as determined by the school. I am not eligible for a deferment while serving in a medical internship or residency program. I may continue to defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue for a six-month period immediately following the expiration of any deferment period described in this paragraph.

CANCELLATIONS - Upon making a properly documented written request to the school, I am entitled to have up to 100% of the original principal loan amount of this loan canceled if I perform qualifying service in the areas listed in paragraphs A, B, C, D and E below. Qualifying Service must be performed after I receive the loan.

A. Teaching • a full-time teacher in a public or other nonprofit elementary or secondary school, that has been designated by the Secretary in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools is published annually by the Secretary. • a full-time special education teacher in a public or nonprofit elementary or secondary school system. • a full-time teacher, in a public or other nonprofit elementary or secondary school system, who teaches mathematics, science, foreign languages, bilingual education, or any other field of expertise that is determined by the State Department of Education to have a shortage of qualified teachers in that State.

B. Early Intervention Services • a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by a lead agency as authorized by section 672(2) of the Individuals with Disabilities Education Act. Early Intervention Services are provided to infants and toddlers with disabilities.

C. Law Enforcement or Corrections Officer • a full-time law enforcement officer for an eligible local, State, or Federal law enforcement agency; or • a full-time corrections officer for an eligible local, State, or Federal corrections agency.

D. Nurse or Medical Technician • a full-time nurse providing health care services; or • a full-time medical technician providing health care services.

E. Child or Family Service Agency • a full-time employee of an eligible public or private non-profit child or family service agency who is providing or supervising the provision of services to high-risk children who are from low-income communities and the families of such children.

Cancellation Rates - For each completed year of service under paragraphs A, B, C, D and E a portion of this loan will be canceled at the following rates:

• 15% of the original principal loan amount for each of the first and second years; • 20% of the original principal loan amount for each of the third year and fourth years; and • 30% of the original principal loan amount for the fifth year.

F. Head Start Cancellation - Upon making a properly documented written request to the school, I am entitled to have up to 100% of the original principal loan amount canceled for qualifying service performed after I receive the loan as: • a full-time staff member in the educational component of a Head Start program which is operated for a period comparable to a full school year and which pays a salary comparable to an employee of the local educational agency.

Cancellation Rate - For each completed year of service under the Head Start Cancellation provision, this loan will be canceled at the rate of 15% of the original principal loan amount.

G. Military Cancellation - Upon making a properly documented written request to the school, I am entitled to have up to 50% of the principal amount of this loan canceled for qualifying service performed after I receive the loan as: • a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the United States Code.

Cancellation Rate - For each completed year of service under the Military Cancellation provision, this loan will be canceled at the rate of 12 1/2% of the original principal loan amount.

H. Volunteer Service Cancellation - Upon making a properly documented written request to the school, I am entitled to have up to 70% of the original principal loan amount of this loan canceled for qualifying service performed after I received the loan as: • a volunteer under the Peace Corps Act; • a volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs).

Cancellation Rate - For each completed year of service under the Volunteer Service Cancellation provision, a portion of this loan will be canceled at the following rates:

• 15% of the original principal loan amount for each of the first and second 12-month periods of service; and • 20% of the original principal loan amount for each of the third and fourth 12-month periods of service.

I. Death and Disability Cancellation - In the event of my death, the school will cancel the total amount owed on this loan. If I become permanently and totally disabled after I receive this loan, the school will cancel the total amount owed on this loan.

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Federal Perkins Loan Deferment Provisions†

DEFERMENT CONDITION	Federal Perkins/NDSL Disbursed on or after 07/01/93	Federal Perkins Disbursed before 07/01/93 & on or after 07/01/87	NDSL Disbursed before 07/01/93 & on or after 10/01/80	NDSL Disbursed before 10/01/80
Half-time enrollment	No limit*	No limit*	No limit*	No limit*
Rehabilitation training	No limit*	No limit*	No limit*	No limit*
Graduate fellowship study [1]	No limit*	No limit*	No limit*	No limit*
Eligible internship or residency program	N/A	2 years [2]*	2 years [3]*	N/A
Inability to secure full-time employment	3 years*	3 years*	3 years*	3 years*
Economic hardship [4]	3 years*	3 years*	3 years*	3 years*
Hardship as determined by school	N/A	No limit**	No limit**	No limit**
Law enforcement/correction officer	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*
Peace Corps/ACTION program volunteer	see footnote 5*	3 years*	3 years*	3 years*
Full-time volunteer for tax-exempt organization in service comparable to Peace Corps or ACTION	N/A	3 years*	3 years*	N/A
U.S. Armed Service	see footnote 5*	3 years*	3 years*	3 years*
Officer in Commissioned Corps of U.S. Public Health Service	N/A	3 years*	3 years*	N/A
National Oceanic and Atmospheric Admin. Corps	N/A	3 years*	N/A	N/A
Nurse/medical technician providing health services	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*
Temporary total disability or care for temporarily totally disabled spouse/dependent	N/A	3 years*	3 years [6]*	N/A
Pregnancy, care of newborn or newly adopted child [7]	N/A	6 months*	N/A	N/A
Mother of pre-schooler working or returning to work [8]	N/A	1 year*	N/A	N/A
Employment in Head Start Program	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*
Teacher in designated low-income school	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*
Teacher of special education, including teacher of infants, toddlers, children, or youth with disabilities [9]	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*
Provider of early intervention services [10]	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*
Teacher of mathematics, science, foreign languages, bilingual education, or other field of expertise determined by the state education agency to have a shortage of qualified teachers	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*
Provider or supervisor of provision of services to high-risk children from low-income communities and their families [11]	see footnote 5*	see footnote 5*	see footnote 5*	see footnote 5*

***Principal need not be paid, and interest does not accrue.**
****Principal and interest may be deferred, but interest continues to accrue.**
† Notes follow on the next page.

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Federal Perkins Loan Deferment Provisions

The chart on the previous page is to be used for reference only. Refer to Part E of the Higher Education Act and 34 CFR Part 674, Sections 674.33 through 674.39 (which the chart and provisions summarize) if you have any questions about a particular borrower's eligibility for loan deferment.

1. A deferment request from a borrower enrolled in a graduate or postgraduate fellowship-supported program outside of the U.S. is approved until the completion of the fellowship period.
2. The internship program must require that the borrower have a bachelor's degree before being admitted. In addition, the program must be required by a state licensing agency for certification for professional practice or service, or the program must lead to a postgraduate degree or certificate from a postsecondary school, hospital, or health-care facility.
3. The internship program must require that the borrower have a bachelor's degree before being admitted. The program must be required by the state licensing agency for certification for professional practice or service.
4. A borrower is considered to have an economic hardship if the borrower:
    a. Is working full-time but earning an amount that does not exceed (the greater of):
        1) the federal minimum wage *or*
        2) an amount equal to 100% of the poverty line for a family of two as determined according to section 673(2) of the Community Service Block Grant Act **OR**
    b. meets other regulatory criteria that take into account the borrower's debt-to-income ratio as a primary factor.
5. Deferment is for a period in which the borrower is engaged in service eligible for Federal Perkins Loan cancellation.
6. Applies to borrower or care of spouse only. Does not allow deferment for the care of a temporarily totally disabled dependent.
7. Borrower must not be attending an eligible postsecondary institution or be gainfully employed. Deferment must begin within 6 months after the borrower ceased to be enrolled at least half time at an eligible institution.
8. Borrower's salary must not be more than $1 over the minimum hourly wage rate.
9. Infants, toddlers, children, and youth with disabilities are defined in Section S 602(a)(1) and 672(1) of the Individuals with Disabilities Education Act.
10. Must be employed in a public or nonprofit program under public supervision. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.
11. Must be employed in public or nonprofit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of Title I of the Elementary and Secondary Act of 1965.

Federal Perkins Loan Cancellation Conditions†

CANCELLATION CRITERIA	Federal Perkins/ National Direct Loans Made on or after 07/23/92	Federal Perkins Loans Made Prior to 07/23/92	National Direct Loan Made Prior to 07/23/92	National Defense Loan
Total and permanent disability or death of borrower	100%	100%	100%	100%
Full-time employment in a Head Start Program[1]	100%	100%	100%	100%
Full-time law enforcement or correction officer[2]	100%	100%[3]	100%[3]	100%
Full-time teaching in low-income school eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981[2,5]	100%	100%	100%	100%[6]
Full-time special education teacher, including teacher of infants, toddlers, children, or youth with disabilities[4,7]	100%	100%	100%	100%
Provider of early intervention services in a public or nonprofit program under public supervision[2,8]	100%	100%	100%	100%
Full-time teacher of handicapped services in a public or nonprofit elementary/secondary school	N/A	100%[4]	100%[4]	100%[6]
Full-time teacher of mathematics, science, foreign languages, bilingual education, or any field of expertise determined by the state education agency to have a shortage of qualified teachers[4]	100%	100%	100%	100%
Provider or supervisor of provision of services to high-risk children from low-income communities and their families[2,9]	100%	100%	100%	100%
Nurse or medical technician providing health care service[4]	100%	100%	100%	100%
Peace Corps or ACTION Program volunteer[10]	70% - Perkins	70%	70%	70%
Service in U.S. Armed Forces	50%[11]	50%[11]	50%[11]	50%[12]
Full-time teaching in public/nonprofit elementary/secondary school, institution of higher education or overseas U.S. Department of Defense elementary/secondary school	N/A	N/A	N/A	50%[13]
Bankruptcy[14]	in some cases	in some cases	in some cases	in some cases

†Notes follow on the next page.

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Federal Perkins Loan Cancellation Conditions

This chart is to be used for reference only. Refer to Part E of the Higher Education Act and 34 CFR Part 674, Subpart D, (which the chart and provisions summarize) if you have any questions about a particular borrower's eligibility.

1. Cancellation rate is 15% per year.

2. Cancellation rate is 15% per year for first and second years; 20% per year for third and fourth years; and 30% for fifth year.

3. Applies only to loans made on or after 11/29/90.

4. Cancellation rate is 15% per academic year for first and second years; 20% per academic year for third and fourth years; and 30% for fifth academic year.

5. If borrower teaches at a school that does not qualify as a low-income school in a subsequent year, the borrower remains eligible for loan cancellation as long as the borrower continues to teach full-time at the school.

6. Cancellation rate is 15% per academic year.

7. Infants, toddlers, children, and youth with disabilities are defined in Section 602(a)(1) and 672(1) of the Individuals with Disabilities Education Act.

8. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.

9. Must be employed in public or nonprofit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of the Elementary and Secondary Education Act of 1965.

10. Cancellation applies only to Federal Perkins Loans; it does not apply to National Direct Student Loans. Cancellation rate is 15% per year for first and second years; 20% per year for third and fourth years.

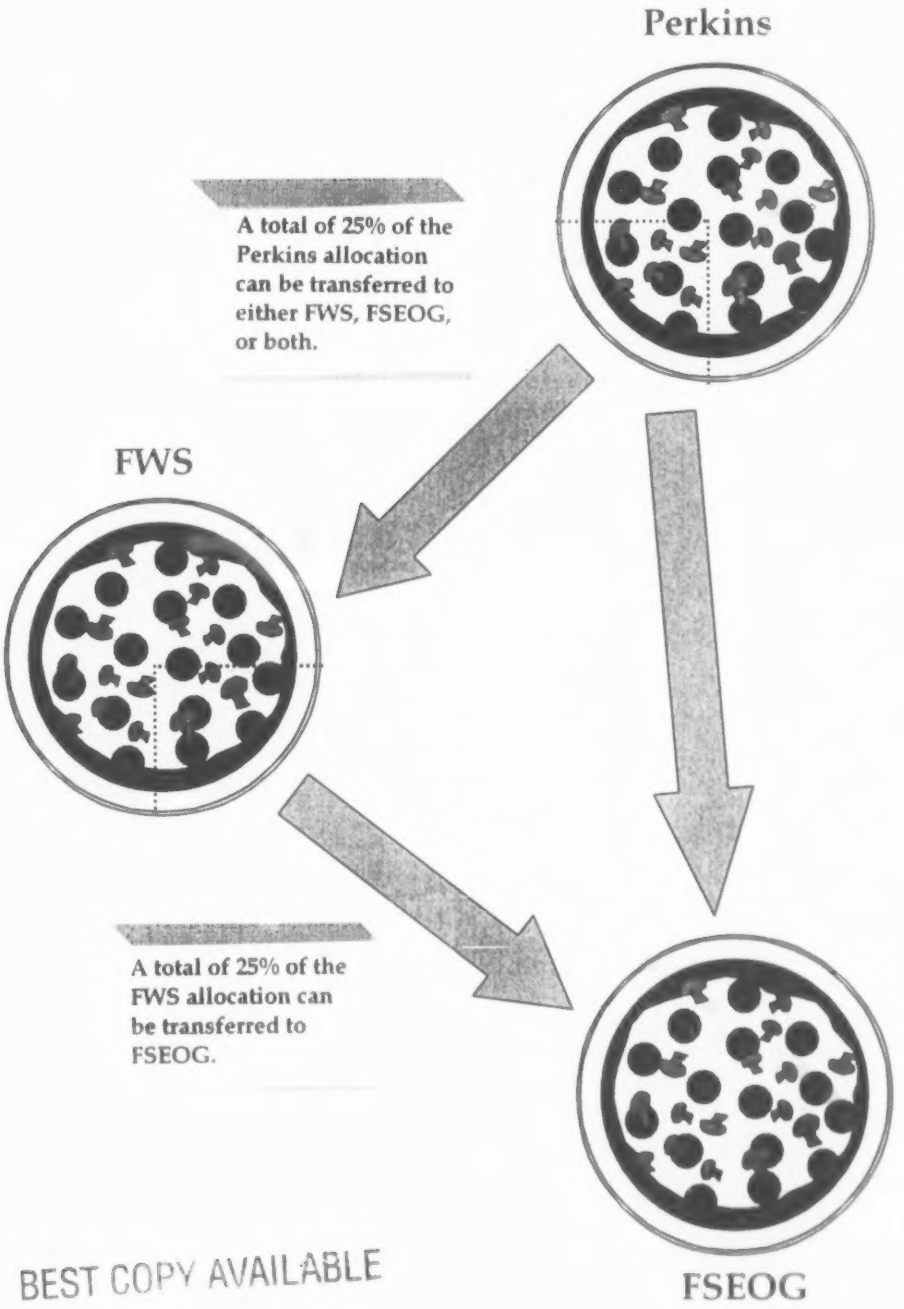
11. Military service must be in an area that qualifies for hazardous-duty pay. Cancellation rate is 12.5% per year of qualifying service.

12. Cancellation rate is 12.5% per year of consecutive service.

13. Cancellation rate is 10% per academic year.

14. Loan is cancelled only if collection is discharged by a bankruptcy court. If the loan is not ultimately discharged in bankruptcy, it again becomes the borrower's obligation.

What are the rules for transferring campus-based funds?



A total of 25% of the Perkins allocation can be transferred to either FWS, FSEOG, or both.

A total of 25% of the FWS allocation can be transferred to FSEOG.

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Checkpoint #3 – Transferring Funds

Sal's School of Pizza Design is allocated $200,000 for the Perkins program, $100,000 for the FWS program, and $50,000 for FSEOG.

Sal's FAA decides to transfer the maximum allowable into FSEOG from the other programs.

1) What will remain of the Perkins allocation? ________________

2) What will remain of the FWS allocation? _____________

3) What will be the new FSEOG amount? _______________

4) If the FAA wanted to, how much could he transfer from FSEOG into one of the other programs? ____________________

Resources

- *Federal Student Financial Aid Handbook: Campus-Based Programs Reference*
- 34 CFR 673-676, (Final Regulations)
- 34 CFR 668.161-167, (Cash Management)
- Dear Colleague Letter CB-99-2 (2000-01 Electronic FISAP changes)
- Dear Colleague Letter CB-98-6 (Family Literacy Programs)
- Dear Colleague Letter CB-99-16 (Funding Formula Changes)
- Dear Colleague Letter CB-96-8 (Sample Promissory Notes)

Answer Key

Checkpoint #1: FSEOG Matching

1) $100,000 2) $ 25,000

Checkpoint #2: Community Service

Scenario A: $40,000 Scenario B: $18,200

Case Study

1) The ACA is actually **$40,000** (5% of the $800,000)
2) Awarding exactly 7% of the federal allocation for community service jobs may not be sufficient, since students may turn down the jobs. Remember, the school must *expend* 7%, so they should **award more than 7%.**
3) The wage of the job is below federal minimum wage of **$5.15**.
4) The program described **does not count as a community service program** because it is not open to the entire community, only school employees and their children. It does, however, still count as a reading tutor program for the America Reads Challenge, and therefore requires no nonfederal match.

Checkpoint #3: Transferring Funds

1) $150,000 2) $75,000 3) $125,000 4) $0

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Session 12

Loans, Loans, Loans

Questions we will answer during this session:

What are the similarities between Direct Loans and Federal Family Education Loans (FFELs)?

How much can the student borrow?

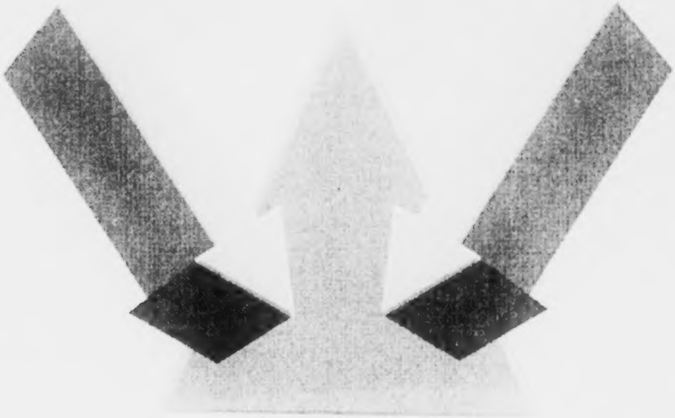
What are the differences between the two programs?

What is the role of the school in processing Direct Loans and FFELs?

What are the similarities between Direct Loans and FFELs ?

Direct Loans

Federal Family Education Loans



Loan Types

Loan Amounts

Application Process

Loan Fees and Interest

Counseling Requirements

Some Repayment Provisions

How much can the student borrow?

LOAN LIMITS: DIRECT AND FFEL

BASE - SUBSIDIZED & UNSUBSIDIZED

STUDENT YEAR	ANNUAL	CUMULATIVE
1st-year undergrad.	$2,625	
2nd-year undergrad.	$3,500	
3rd, 4th, 5th-year undergrad.	$5,500	$23,000
graduate student	$8,500	$65,500 (includes undergrad. & graduate total)

ADDITIONAL - UNSUBSIDIZED ONLY

STUDENT YEAR	ANNUAL	CUMULATIVE
1st-year undergrad.	$4,000	
2nd-year undergrad.	$4,000	
3rd, 4th, 5th-year undergrad.	$5,000	$23,000 - dep. (sub. + unsub.) $46,000 - ind. (sub. + unsub.)
graduate student	$10,000	$138,500 (includes undergrad. & graduate sub. and unsub. total)

Loan Equations

Base Amounts

Subsidized Base Amount:

COA – EFC – EFA = Loan Amount

Remember, consider loan limits here!

Unsubsidized Base Amount:

COA – EFA (include base amount) = Unsub. Base Amount

Practice - Base Amounts

Tonya is a dependent, second-year student. She has a COA of $5,530. Her EFC is 1,750. The only financial aid she is scheduled to receive so far is a $1,250 Pell Grant. Calculate Tonya's subsidized and unsubsidized base loan amounts.

Subsidized

__________ - __________ - __________ = __________
(COA) (EFC) (EFA) (Base)

Unsubsidized

__________ - __________ = ______________
(COA) (EFA) (Initial amount)

Because of loan limits, though, Tonya is actually eligible for $________ in unsubsidized loans.

+ Loan Equations =

Additional Amounts

COA – EFA (including base amount) = Additional Amount

This amount is unsubsidized!

Practice - Additional Amount

Tonya's parents try to borrow a PLUS loan, but are denied because of adverse credit. Now Tonya is eligible for additional unsubsidized funds.

Remember, Tonya's COA is $5,530. She is already slated to receive a loan of $3,500, along with her Pell Grant of $1,250.

__________ - __________ = __________________

(COA) **(EFA)** **(Additional Amount)**

Remember, this can't exceed the additional loan limit of $4,000.

Proration

What is loan proration?

- reduction of a student's loan maximum

When must you prorate?

- student's entire program is less than one academic year
  - example: 600 clock-hour program

- student's program is greater than 1 academic year, but *final period of study* is less than 1 academic year
  - example:
    1350 clock-hour, 45-week program
    900 clock-hour, 30-week academic year
    Year 1: 900 clock hours; no proration
    Year 2: 450 clock hours; PRORATION REQUIRED
  - example:
    3.5 year program, 2 terms per year
    Years 1-3: no proration
    Year 4: 1 term remaining, PRORATION REQUIRED

- final period of study is measured in terms for term-based schools, and hours or weeks for nonterm schools

Checkpoint #1 – When to Prorate

Michael is enrolled in a computer training program that is 600 clock hours and 15 weeks long. The academic year at his school is 900 clock hours and 30 weeks.

Is proration required for Michael?

Why or why not?

Charlene is beginning her second year of a two-year program. Her school measures progress in 15-week terms, with an academic year of 30 weeks. Because Charlene took classes in the summer at the end of her first year, she only has 18 credits remaining for her program. She decides to take all 18 credits the first semester of the second year, completing the program in December.

Is proration required for Charlene?

Why or why not?

Charlene changes her mind, and decides to take 6 credits in the fall semester of her second year, and 12 credits in the spring semester.

Is proration required in this case?

Why or why not?

How do you prorate?

$$\text{Annual Loan Limit} \times \frac{\text{\# of credit/clock hours in remainder of program}}{\text{\# of credit/clock hours in academic year*}}$$

*minimum 900 clock hours, 24 or 36 credit hours

Practice – Proration

Michael's program:	600 clock hours
Michael's loan limit:	$2,625

What is his prorated loan limit?

Charlene's program:	18 credit hours remaining
Charlene's loan limit:	$3,500

What is her prorated loan limit?

Direct Loan Program and FFEL Program Interest-Rate Provisions as of 1999

	Subsidized and Unsubsidized Loans	PLUS Loans
Interest Rate	Variable rate; maximum annual rate **8.25%**	Variable rate; max. annual rate **9%**
Interest Rate Formula	*For loans first disbursed on or after 07/01/94 through 06/30/95:* - **91-day** Treasury bill rate plus 3.1% *For loans first disbursed on or after 07/01/95 through 06/30/98:* - **In-school deferment, or grace period rate:** **91-day** Treasury bill rate plus 2.5% - **In repayment:** **91-day** Treasury bill rate plus 3.1% *For loans first disbursed on or after 10/01/99 through 06/30/2003:* - **In-school deferment, or grace period rate:** 91-day Treasury bill rate plus 1.7% - **In repayment:** 91-day Treasury bill rate plus 2.3%	*For loans first disbursed on or after 07/01/94 through 06/30/98:* - **52-week** Treasury bill rate plus 3.1% *For loans first disbursed on or after 10/01/99 through 06/30/2003:* - **91-day** Treasury bill rate plus 3.1%

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Grace Periods for Direct Loan Program and FFEL Program

Federal (Subsidized) Stafford Loan[1] and Direct Subsidized Loan[1]	Federal Unsubsidized Loan[2] and Direct Unsubsidized Loan	Federal PLUS Loan and SLS[2,3] and Direct PLUS Loan
6 months for all loans for periods of enrollment 01/01/81 and after.[5] 9-12 months for all loans for periods of enrollment before 01/01/81.	6 months on repaying principal. Interest may be paid or accrued and capitalized during in-school and grace periods.[4]	None. The repayment period begins 60 days after the date the loan is fully disbursed. Interest begins to accrue on the date of the loan's first disbursement. For Federal PLUS Loans on or before 07/01/93, repayment may be deferred while the students for whom the funds are borrowed are enrolled at least half time. Interest may be capitalized.

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[1] If the grace period has not already been used, the loan's grace period begins on the date the student ceases to be enrolled at least half time.

[2] Also applied to Federal SLS loans, which were discontinued 07/01/94.

[3] Combined Federal SLS/federal sub/unsub borrowers have the option to defer Federal SLS repayment for up to 6 months after at least half-time enrollment ceases. This provision applies only when the borrower's loans have not entered repayment.

[4] Paying accrued interest is postponed by adding it to the loan principal as the interest comes due. (This is called "capitalization.")

[5] Not all loans made after 1/1/81 have a 6-month grace period. If a student received a 7% loan prior to 1/1/81 with a 9-12 month grace period, the student continued to receive the 7% interest rate and the 9-12 month grace period on subsequent loans up until 7/1/94. Beginning 7/1/94 all loans had variable interest rates and a 6-month grace period.

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Cancellation and Loan Forgiveness

Borrower	Direct and FFEL Loans
Loan Cancellation	• death of borrower • death of student on whose behalf a parent borrowed a PLUS Loan • permanent and total disability of borrower • discharge of loan in bankruptcy
Loan Forgiveness	• students unable to complete their programs of study because their schools closed[1] • students whose schools falsely certified their loans • some teaching and childcare provider provisions[2]

[1] These students are only eligible for forgiveness if their schools do not provide them with an alternate way to complete their program. This may include attendance at another nearby school that has an agreement in place with the closing school.

[2] For students without any outstanding Title IV loan balance (Stafford or Perkins) on 10/01/98.

Teachers must not be in default, and must have been employed as a full-time teacher for 5 consecutive years at a school that qualifies for a Perkins Loan cancellation. Secondary teachers must be teaching in a subject area relevant to their academic major. The amount to be forgiven can't exceed $5,000 of the aggregate amount that is outstanding after the 5th year of teaching.

To benefit, *childcare providers* must have received a degree in early childhood education, and have been employed full-time for 2 consecutive years providing child care services in a facility located in a low-income community (70% of the households earn less than 85% of the State median household income). Provides that 20% of eligible loans be cancelled after completion of the 2nd and 3rd years of service, and 30% after completion of 4th and 5th years of service.

Entrance/Exit Loan Counseling For Direct Loans and FFEL Programs Loans

HOW to cover:

ENTRANCE COUNSELING

In-person presentation or by videotape or by computer-assisted technology. Individual with Title IV expertise must be available to answer borrower questions

Written counseling materials permissible for students enrolled in correspondence or study-abroad programs

OR

"Alternative Entrance Counseling Approach" for Direct Loan borrowers only:

- Written counseling material provided to first-time Direct Loan borrowers
- Counseling efforts targeted to certain groups of borrowers
- Entrance-counseling plan must be part of school's quality assurance plan

EXIT COUNSELING

In-person or via the Internet

Written counseling materials:

- Mandatory for students who have withdrawn without notifying the school or have failed to attend scheduled exit counseling
- Permissible for students enrolled in correspondence study or study-abroad program

WHEN to cover:

ENTRANCE COUNSELING

Prior to delivery of the first disbursement of the first Stafford Loan a borrower will receive under the program

EXIT COUNSELING

Shortly before any borrower ceases at least half-time enrollment or (by mail) within 30 days:

- After learning that the student has withdrawn without notifying the school
- After the student has failed to attend scheduled exit counseling
- After student completed correspondence program or study-abroad program

WHAT to cover:

REQUIRED CORE ITEMS

ENTRANCE COUNSELING

Emphasize seriousness and importance of repayment

Emphasize consequences of default, including adverse credit reports, garnishment of wages, and litigation

Emphasize obligation to repay full amount of loan, regardless of borrower's ability to gain employment after leaving school or dissatisfaction with the program

For Direct Loans, provide data on average indebtedness and average monthly repayment of students who obtained loans at that school or in borrower's program of study

EXIT COUNSELING

Provide name and address of the borrower's lender(s)

Inform student of average monthly repayment amount based on student's indebtedness

Review available repayment options & obligations

Provide borrower with debt-management strategies that would facilitate repayment

Explain how to contact the party servicing the student's loan

Emphasize seriousness and importance of repayment

Emphasize consequences of default, including adverse credit reports, garnishment of wages, and litigation

Review deferment, forbearance, and cancellation conditions

Require borrower to provide corrections to school's records concerning name, address, Social Security number, references, driver's license number with state where it was issued, and name and address of expected employer

Review available refinancing and consolidation options

What are the differences between the programs

	Direct Loans	**Federal Family Education Loans**
Source of funds	U.S. Department of Education	Private lenders
Disbursement Process	Schools receive funds from ED, and *disburse* to students	Lenders *disburse* to schools, and schools *deliver* to students
Repayment Process	Standard Extended Graduated Income- contingent Alternative repayment	Standard Extended Graduated Income-sensitive

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Examples of Typical Beginning Payments for FFEL Repayment Plans[1]

Monthly and Total Payments Under Different Repayment Plans

Total Debt When Borrower Enters Repayment	Standard[2]		Graduated[3]		Income-sensitive[4] (Income-$25,000)	
	Per Month	Total Payment	Per Month	Total Payment	Per Month	Total Payment
$2,500	$50	$3,074	$30	$3,695	$83	$2,802
5,000	61	7,359	34	8,006	83	6,335
7,500	92	11,039	52	12,009	83	12,049
10,000	123	14,718	69	16,012	83	17,783
15,000	184	22,078	103	24,018	103	28,265

[1] Note: Payments are calculated using the maximum interest rate of 8.25% for student borrowers.

[2] Equal and fixed monthly payments ($50 minimum).

[3] Interest payments are for the first 48 months ($30 minimum); equal and fixed payment for the last 72 months.

[4] Assumes a 5% annual income growth (Census Bureau). Payment equals greater of 4% of income or interest only. If payment amount is less than under the Standard Repayment Plan amount in the year, the term is extended by one year. The maximum number of extensions is five. That is, the maximum term is 15 years, the last 10 of which would be under the Standard Repayment Plan (equal and fixed).

Examples of Typical Beginning Payments for Direct Loan Repayment Plans[1]

Monthly and Total Payments Under Different Repayment Plans

Total Debt When Borrower Enters Repayment	Standard[2]		Extended		Graduated		Income Contingent[3] (Income-$25,000)			
							Single		Married/HOH[4]	
	Per Month	Total Payment	Per Month	Total Payment	Per Month	Total Payment	Per Month	Total Payment	Per Month	Total Payment
$2,500	$50	$3,074	$50	$3,074	$25	$4,029	$23	$4,512	$22	$4,662
5,000	61	7,359	55	7,893	35	8,646	45	9,023	43	9,325
7,500	92	11,039	82	11,840	53	12,970	68	13,535	65	13,987
10,000	123	14,718	97	17,462	69	19,175	91	18,046	86	18,650
15,000	184	22,078	146	26,194	103	28,762	136	27,070	129	27,974

[1] Note: Payments are calculated using the maximum interest rate of 8.25% for student borrowers.

[2] Equal and fixed monthly payments ($50 minimum).

[3] Assumes a 5% annual income growth (Census Bureau).

[4] HOH is Head of Household. Assumes a family size of two.

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Direct Loans

Master Promissory Note
William D. Ford Federal Direct Loan Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1840-0732
Form Approved
Exp. Date 12/31/2001

Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan

Section A: To Be Completed By The Borrower

1. Driver's License State and Number
2. Social Security No.
3. E-mail address
4. Name and Address (street, city, state, zip code)
<--Last, First, M.I.
5. Date of Birth
6. Area Code/Telephone No.

7. References: You must list two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian

	1	2
Name	______________	______________
Permanent Address	______________	______________
City, State, Zip Code	______________	______________
Area Code/Telephone Number	( ) ______________	( ) ______________
Relationship to Borrower	______________	______________

8. Requested Loan Amount: I request a total amount of subsidized and unsubsidized loans under this Master Promissory Note not to exceed the allowable maximums under the Higher Education Act. For this academic period, I request the maximum amount the school determines I am eligible to receive unless I enter a lower amount below.

$__________.00

Section B: To Be Completed By The School

9. School Name and Address
10. School Code/Branch
11. Identification No.

Borrower Certifications and Authorizations

Read carefully before signing below.

12. I declare under penalty of perjury that the following is true and correct:

- I certify that the information I have provided on this Master Promissory Note and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
- I certify that I will immediately repay any loan proceeds that cannot be attributed to educational expenses for attendance on at least a half-time basis at the school that certified my loan eligibility.
- I certify that I do not now owe a refund on a Federal Pell Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program (Direct Loans), or the Federal Family Education Loan Program (FFELP) or, I have made satisfactory repayment arrangements on the defaulted loan.

13. For all Direct Subsidized and Direct Unsubsidized Loans (as described in the additional Note provisions and the Borrower's Rights and Responsibilities statement) I receive under this Master Promissory Note, and for certain other loans as described below, I make the following authorizations:

- I authorize my school to certify my eligibility for loans under this Master Promissory Note.
- I authorize my school to credit my loan proceeds to my student account.
- I authorize my school to pay to the U.S. Department of Education (ED) any refund that may be due up to the full amount of the loans.
- I authorize ED to investigate my credit record and report information concerning my loan status to persons and organizations permitted by law to receive such information.
- Unless I notify ED differently, I request and authorize ED to: (i) during the in-school and grace periods of any loans made under this Note, defer and align the repayment of principal on all of my Direct Loans that are in repayment status; and (ii) add interest which I must pay that accrues on all my Direct Loans to the principal balance of such loans ("capitalization") including such loans made under this Note during periods of forbearance and, for unsubsidized loans, during in-school, grace, and deferment periods, as provided under the Act. "Capitalization" will increase the principal balance on my loans and the total amount of interest cost I incur.
- I authorize the release of information pertinent to my loans: (i) by the school and ED, to the references on the applicable loans and to members of my immediate family unless I submit written directions otherwise; and, (ii) by and among my schools, lenders, guarantors, the U.S. Department of Education, and their agents.

Promise to Pay

14. I promise to pay to the U.S. Department of Education all sums disbursed (hereafter "loan" or "loans") under the terms of this Master Promissory Note (hereafter "Note"), plus interest and other charges and fees that may become due as provided in this Note. **I understand that multiple loans may be made to me under this Note.** I understand that by accepting any disbursements issued at any time under this Note, I accept the obligation to repay the loans. I understand I may cancel or reduce the amount of any loan by refusing to accept or by returning all or a portion of any disbursement that is issued. I may pay interest that accrues on my Federal Direct Unsubsidized Stafford/Ford Loans during in-school, grace, and deferment periods, or may allow it to accumulate and be added to the principal balance of such loans. If I fail to make any payment on any loan made under this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Note and the Borrower's Rights and Responsibilities statement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Certifications and Authorizations printed above, the Notice on the reverse side, and the accompanying Borrower's Rights and Responsibilities statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE, AND THAT I MUST REPAY SUCH LOAN(S).

15. Borrower's Signature ______________________ **16. Today's Date** ***(Month/Day/Year)*** ____________

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Federal Family Education Loan Program (FFELP)

Federal Stafford Loan Master Promissory Note

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097

Guarantor, Program, or Lender Identification

Borrower Information

Please print neatly or type. Read the instructions carefully.

1. Last Name First Name MI
2. Social Security Number
3. Permanent Street Address (If P.O. Box, see instructions.)
City State Zip Code
4. Home Telephone Number ( )
5. Date of Birth (Month/Day/Year)
6. Driver's License State and Number State #
7. E-mail Address (Optional)
8. Lender Name City State Zip Code
9. Lender Code, if known

10. References. You must provide two separate references with different U.S. addresses. The first reference should be a parent (if living) or legal guardian. Both references must be completed in full.

	A.	B.
Name	______	______
Permanent Address	______	______
City, State, Zip Code	______	______
Area Code/Telephone	( ) ______	( ) ______
Relationship to Borrower	______	______

11. Requested Loan Amount. I request a total amount of subsidized and unsubsidized loans under this Master Promissory Note not to exceed the allowable maximums under the Higher Education Act. For this academic period, I request the maximum amount the school determines I am eligible to receive unless I enter a lower amount below.

$ ______ .00

12. Interest Payments (Optional)

☐ I want to pay unsubsidized interest while I am in school

Borrower Certifications and Authorizations

Read carefully before signing below.

13. I declare under penalty of perjury that the following is true and correct:
    - **A.** I certify that the information I have provided on this Master Promissory Note and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
    - **B.** I certify that I will immediately repay any loan proceeds that cannot be attrib[illegible] educational expenses for attendance on at least a half-time basis at the s[illegible]ol that certified my loan eligibility.
    - **C.** I certify that I do not now owe a refund on a Federal Pell Grant, Su[illegible] Educational Opportunity Grant, or a State Student Incentive Gr[illegible]and[illegible]at I a[illegible] now in default on any loan received under the Federal Perkin[illegible]an P[illegible] (including NDSL loans), the Federal Direct Loan Program, or th[illegible]eral Family Education Loan Program ("FFELP" as defined in the [illegible]s Ri[illegible] and Responsibilities statement), or I have made satisf[illegible]ry pa[illegible]ent arra[illegible]gements on the defaulted loans.

14. For all subsidized and unsubsidized Federal Stafford Loans (a[illegible]described in the additional Note provisions and the Rights and Responsibilities statement) I receive under this Master Promissory Note, and for certain other loans as described below, I make the following authorizations:
    - **A.** I authorize my school to certify my eligibility for loans under this Master Promissory Note.
    - **B.** I authorize my school to transfer loan proceeds received by electronic funds transfer (EFT) or master check to my student account.
    - **C.** I autho[illegible] my school to pay to the lender any refund that may be due up to the [illegible]ou[illegible] the loans.
    - **D.** I auth[illegible]ze the lender, the guarantor, or their agents, to investigate my credit recor[illegible]nd report information concerning my loan status to persons and [illegible]zations permitted by law to receive such information.
    - **E.** I request and authorize my lender to: **(i)** during the in-school and grace periods of any loans made under this Note, defer and align the repayment of principal on all of my FFELP loans that are in repayment status, and **(ii)** add unpaid interest that accrues on all my FFELP loans to the principal balance of such loans ("capitalization") including such loans made under this Note, during forbearance periods, and for unsubsidized loans, during in-school, grace, and deferment periods. "Capitalization" will increase the principal balance on my loans and the total amount of interest cost I incur.
    - **F.** I authorize the release of information pertinent to my loans: **(i)** by the school, the lender, and the guarantor, or their agents, to the references on the applicable loans and to members of my immediate family unless I submit written directions otherwise; and, **(ii)** by and among my schools, lenders, guarantors, the Department of Education, and their agents.
    - **G.** So that the loans requested can be approved, I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to the school, the lender and to state agencies and nonprofit organizations that administer financial aid programs under the FFELP.

PROOF

Promise to Pay

In this Note, "lender" refers to, and this Note benefits, the original lender and its successors and assigns, including any subsequent holder of this Note.

15. I promise to pay to the order of the lender all sums disbursed (hereafter "loan" or "loans") under the terms of this Master Promissory Note (hereafter "Note"), plus interest and other fees that may become due as provided in this Note. **I understand that multiple loans may be made to me under this Note.** I understand that by accepting any disbursements issued at any time under this Note, I accept the obligation to repay the loans. I understand I may cancel or reduce the amount of any loan by refusing to accept or by returning all or a portion of any disbursement that is issued. Unless I make interest payments, interest that accrues on my unsubsidized loans during in-school, grace, and deferment periods will be added to the principal balance of such loans. If I fail to make any payment on any loan made under this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this Note before reading the entire Note, even if otherwise advised. I am entitled to an exact copy of this Note and the Borrower's Rights and Responsibilities statement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Certifications and Authorizations printed above, the Notice Applicable to Subsequent Loans Made Under This Note, and the Borrower's Rights and Responsibilities statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE, AND THAT I MUST REPAY SUCH LOAN(S).

16. Borrower's Signature ______________________ 17. Today's Date *(Month/Day/Year)* ____________

Additional Note provisions follow

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Master Promissory Note *(continued)*

Disclosure of Loan Terms

This Note applies to both subsidized and unsubsidized Federal Stafford Loans described in the Interest section below. I agree that the lender may sell or assign this Note and/or my loans and acknowledge that any loan may be assigned independently of any other loan to which this Note applies. I agree that each loan is separately enforceable based on a true and exact copy of this Note. Loans disbursed under this Note are subject to the annual and aggregate loan limits specified in the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, et seq., and applicable U.S. Department of Education regulations (collectively referred to as the "Act"). Under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued (unless I reduce or cancel any disbursements as provided below).

My lender will determine whether to make any loan under this Note after my loan eligibility is determined by the school where I am enrolled on at least a half-time basis (hereafter "school"). At or before the time of the first disbursement for each loan, a disclosure statement will be issued to me identifying the amount of the loan and additional terms of the loan. Important additional information is also disclosed in the Borrower's Rights and Responsibilities statement accompanying this Note. The Borrower's Rights and Responsibilities statement and any disclosure statement I receive in connection with any loan under this Note are hereby incorporated into this Note.

I may request additional loan funds for my educational costs (up to the annual and aggregate loan limits). If my school determines that I am eligible for any additional or adjusted loan amount, my school may certify such amount. My eligibility for subsidized and/or unsubsidized loans may change based on changes in my financial circumstances. My school will notify me of any changes in my eligibility. I will be notified of any changes or additions to my subsidized and/or unsubsidized loans in a separate disclosure statement.

Loan Cancellation

I may pay back all or a portion of a disbursement within time frames set by the Act and identified in the Borrower's Rights and Responsibilities statement or other disclosure statement I receive at or before disbursement. In such case, the origination fee and guarantee fee will be reduced or eliminated in proportion to the amount of the disbursement returned. I will not incur interest charges if I return the full loan amount as provided in the Act.

Interest

Unless my lender notifies me in writing of a lower rate(s), the rate(s) of interest for my loans are those specified in the Act. Rate information is presented in the Borrower's Rights and Responsibilities statement accompanying this Note and in a disclosure that is issued to me.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the loan is paid in full. I agree to pay all interest charges on my subsidized Federal Stafford Loans except interest payable by the federal government under the Act. I agree to pay all interest charges on my unsubsidized Federal Stafford Loans. If I fail to make required payments of interest before the beginning or resumption of principal repayment, or during a period of deferment or forbearance, I agree that the lender may capitalize such interest. There is no federal interest subsidy on unsubsidized loans, so the total amount of interest I am required to repay on unsubsidized loans will be higher than on subsidized loans.

Origination Fee and Guarantee Fee

For each subsidized and unsubsidized loan, the federal government charges an origination fee equal to the amount required by the Act. The guaranty agency(ies) that guarantee(s) my loans (in each case, the "guarantor") may charge a per loan guarantee fee not to exceed a maximum amount specified in the Act. I will pay these fees, as identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loans. I understand the origination and guarantee fees may be refundable only to the extent permitted by the Act.

Late Charges and Collection Costs

If I fail to make any part of a required installment payment within 15 days after it becomes due, the lender may collect from me: **(i)** a late charge for each late installment payment, and **(ii)** any other charges and fees that are permitted by the Act for the collection of my loans. If I default on any loans, I shall pay reasonable collection fees and costs, plus court costs and attorney fees.

Repayment

I am obligated to repay the full amount of the loans made under this Note and interest accrued thereon. Federal Stafford Loans have a repayment grace period, which will be disclosed in my disclosure statement. I will repay the principal of my loans in periodic installments during repayment periods that begin on the day immediately following the end of the applicable grace period. Payments submitted by me or on my behalf (exclusive of refunds) will be applied first to charges and collection costs that are due, then to accrued interest that has not been capitalized, and finally to the principal amount.

I understand that the school's certification of my loan eligibility determines whether my loans must be repaid as subsidized and/or unsubsidized loans.

The lender will provide me with a repayment schedule that identifies my payment amounts and due dates. Unless the lender otherwise agrees, the minimum annual payment required on all my FFELP loans is $600 or the amount of interest due and payable, whichever is larger. My lender must provide me with a choice of repayment plans consistent with the provisions of the Act.

If I am unable to make my scheduled loan payments, the lender may allow me to reduce my payment amount, to extend the time for making payments, [illegible] temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance. I agree that the lender may align payment dates on my loans or grant me a forbearance to eliminate a delinquency that persists even though I am making scheduled payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the lender will determine how to apply the prepayment in accordance with the Act. Upon repayment in full of each loan under this Note, I agree to accept written notification of such loan payoff in place of receiving the original Note.

Acceleration and Default

At the option of the lender, the entire unpaid balance of the applicable loans shall become immediately due and payable upon the occurrence of any one of the following events: **(i)** I fail to enroll as at least a half-time student at the school that certified my loan eligibility, **(ii)** I fail to use the proceeds of the loans solely for educational expenses, **(iii)** I make a false representation(s) that results in my receiving any loans for which I am not eligible, or **(iv)** I default on the loans.

The following events shall constitute a default on my loans: **(i)** I fail to pay the entire unpaid balance of the applicable loans after the lender has exercised its option under items (i), (ii), or (iii) in the preceding paragraph; **(ii)** I fail to make installment payments when due, provided my failure has persisted for at least 180 days for payments due monthly; or **(iii)** I fail to comply with other terms of the loans, and the lender or guarantor reasonably concludes I no longer intend to honor my repayment obligation. If I default, the guarantor may purchase my loans and capitalize all then-outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, the default will be reported to all national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities statement. Following default, the loans may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

Governing Law and Notices

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.), other applicable federal statutes and regulations, and the guarantor's policies. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note.

If a particular loan under this Note is made by the school, or if the proceeds of a particular loan made under this Note are used to pay tuition and charges of a for-profit school that refers loan applicants to the lender, or that is affiliated with the lender by common control, contract, or business arrangement, any lender holding such loan is subject to all claims and defenses that I could assert against the school with respect to such loan. My recovery under this provision shall not exceed the amount I paid on such loan.

If I reside in the state in which the principal office of the guarantor is located, the guarantor may sue to enforce the applicable loans in the county in which the guarantor's office is located. However, if I object to being sued there and I mail a written objection to the guarantor that is postmarked no later than 30 days after I am served with the suit, the guarantor will either have the court transfer the suit to the county in which I live or will dismiss the lawsuit.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address the lender has for me. I will immediately notify the lender of change of address or status as specified in the Borrower's Rights and Responsibilities statement. Failure by the lender to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the lender. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Notice Applicable to Subsequent Loans Made Under This Note

This Master Promissory Note authorizes the lender to disburse multiple loans during the multi-year term of this Note upon my request and upon the school's certification of my loan eligibility.

Additional loans may be made under this Note for the same or subsequent periods of enrollment only at four-year or graduate schools, or other schools, as designated by the Secretary of the U.S. Department of Education. I agree that no subsequent loans will be made under this Note after the earliest of the following dates: (i) the date my lender receives my written notice that no further loans may be disbursed under the Note; (ii) one year after the date of my signature on this Note if no disbursement is made during such twelve month period; or (iii) ten years after the date of my signature on this Note.

Any amendment to the Act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Master Promissory Note.

PROOF

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Application and Promissory Note for Federal PLUS Loan

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Borrower Section *(To be completed by the parent.)*

Please print neatly or type. Read the instructions carefully.

1. Last Name First Name MI
2. Social Security Number
3. Permanent Street Address (If P.O. Box, see instructions.)
City State Zip Code
4. Telephone Number ( )
5. Loan Period (Month/Year) From: To:
6. Driver's License Number (List state first.)
7. Date of Birth (Month/Day/Year)
8. Lender Name City State Zip Code
9. Lender Code, if known
10. Requested Loan Amount $
11. U.S. Citizenship Status (Check one and list ID number if applicable.) ☐ a. Citizen/National ☐ b. Eligible Non-Citizen Alien ID #
12. a. State of Legal Residence b. Since (Month/Year)
13. Employer (Name, City, State) Telephone Number ( )
14. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? If yes, carefully read instructions and attach required documentation. ☐ a. Yes ☐ b. No
15. If the school your dependent is attending participates in electronic funds transfer (EFT), do you authorize the school to transfer the loan proceeds received by EFT to your dependent's student account? ☐ a. Yes ☐ b. No
16. Do you have an outstanding Federal Stafford, Supplemental Loan for Students, Parent PLUS, or Consolidation Loan which was disbursed before July 1, 1993? ☐ a. Yes ☐ b. No
If you checked "yes", do you want to postpone (defer) payment of the principal of this loan based on the student's in-school status? (See instructions—additional documentation may be required if the student is not enrolled full time.) ☐ c. Yes ☐ d. No
If you checked "yes" to Box (a) and (c), do you want the interest that accrues on this loan deferred and capitalized? If no, you will be required to pay the interest. ☐ e. Yes ☐ f. No
17. **References:** You must provide two separate references with different U.S. addresses. Both references must be completed fully.

	1.	2.
Name	______________________	______________________
Permanent Address	______________________	______________________
City, State, Zip Code	______________________	______________________
Area Code/Telephone	( ) ______________	( ) ______________

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side, and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN THAT MUST BE REPAID.

18. Borrower's Signature ______________________ Today's Date (Month/Day/Year) ______________________

Student Section *(To be completed by the student.)*

Please print neatly or type. Read the instructions carefully.

19. Last Name First Name MI
20. Social Security Number / /
21. Date of Birth (Month/Day/Year)
22. U.S. Citizenship Status (Check one and list ID number if applicable.) ☐ a. Citizen/National ☐ b. Eligible Non-Citizen Alien ID #
23. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? If yes, carefully read instructions and attach required documentation. ☐ a. Yes ☐ b. No
24. My signature certifies that I have read, understand and agree to the conditions in the Student Certification and Authorization printed on the reverse of this Application and Promissory Note.
Student's Signature ______________________ Today's Date (Month/Day/Year) ______________________

School Section *(To be completed by an authorized school official.)*

25. School Name
26. Street Address
City State Zip Code
27. Loan Period (Month/Day/Year) From: To:
28. Grade Level
29. Enrollment Status (Check one.) ☐ Full Time ☐ At Least Half Time
30. Anticipated Completion (Graduation) Date (Month/Day/Year)
31. School Code/Branch
32. Cost of Attendance $ .00
33. Estimated Financial Aid $ .00
34. Certified Loan Amount $ .00
35. Signature of Authorized School Official/Date (See School Certification box on the reverse side.)
Print or Type Name and Title
Check box if electronically transmitted to guarantor: ☐
36. Telephone Number ( )
37. Recommended Disbursement Date(s) (Month/Day/Year)
1st 2nd
3rd 4th

Lender Section *(To be completed by an authorized lending official.)*

38. Lender Name
Street Address
City State Zip Code
39. Lender Code/Branch
40. Telephone Number ( )
41. Amount Approved
42. Signature of Authorized Lending Official
Print or Type Name and Title Date
43. Lender Use Only

[illegible]

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Final Exam - True or False?

1) Interest is covered during periods of deferment or forbearance for a subsidized loan. _____

2) The base amount can be either subsidized or unsubsidized, but the additional amount will only involve unsubsidized funds. _____

3) For term-based schools, proration is required if the remainder of a program is less than 30 weeks. _____

4) For nonterm schools, proration is required if the remainder of a program is less than an academic year in weeks or hours. _____

5) Interest does not accrue during the grace period of either an unsubsidized or a subsidized loan. _____

6) Any changes to student data a school discovers upon exit counseling should be reported to ED within 30 days. _____

7) Students wanting a Direct Loan or a FFEL must complete an application besides the FAFSA. _____

8) PLUS borrowers must always complete a FAFSA. _____

9) Once the loan is fully disbursed, PLUS repayments begin after a 6-month grace period. _____

10) Defaulted loans can be consolidated with the Direct Consolidation Loan program and the FFEL Consolidation Loan program. _____

Resources

- ★ *Federal Student Financial Aid Handbook: Direct Loan and FFEL Programs Reference*
- ★ 34 CFR 682 (FFEL) and 685 (Direct Loan)
- ★ 1999-00 Direct Loan School Guide
- ★ Dear Colleague Letter GEN-98-25 (FFEL Master Promissory Note)

Answer Key

Practice – Base Amount

Subsidized

$5,530 - 1,750 - $1,250 = $2,530 (sub. amount)

Unsubsidized

$5,530 - $3,780 = $1,750 (initial unsub. amount)

Because of loan limits, Tonya is actually eligible for $970.

Practice – Additional Amount

$5,530 - $4,750 = $780

Checkpoint #1

Michael: **Yes. His program is less than one academic year.**
Charlene: **Yes. She is attending less than one academic year.**
Charlene (alternate): **No. She is attending both terms in the year.**

Proration

Michael: $2,625 x 600/900 = **$1,750**
Charlene: $3,500 x 18/24 = **$2,625**

Answer Key (cont'd)

Final Exam

1) F
2) T
3) F
4) T
5) F
6) F
7) F
8) F
9) F
10) T

Session 13

Return of Title IV Funds

Questions we will answer by the end of this session:

What is meant by "Return of Title IV Funds"?

When will schools have to implement this requirement?

How do schools determine the withdrawal date of a student?

What is the difference between institutional and noninstitutional charges?

How quickly must you return the funds?

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What is meant by "Return of Title IV Funds"?

A Common Scenario

Aaron enrolled full time at Stiff Shirt Business College (SSBC) His financial aid package consists of a $2,000 Pell Grant, a $1,000 FSEOG, and a $2,000 subsidized Federal Stafford Loan.

The fall semester began on September 5. After attending classes, many hours of reading, staying up late studying for quizzes, and writing papers, he decides that there's not enough time to party with his friends. Besides, why should he go to college anyway when his uncle has a paint business and has been begging for him to come work with him? Then he'll have plenty of time to go out with his friends. So, Aaron drops out of college on September 26.

What will you have to do?

When will schools have to implement this requirement?

October 7, 2000

CASE STUDY: JERRY

Jerry was a terrific high school student, who scored very high on the SAT. Because his academic qualifications are so good and his family isn't very well off, the admissions representative from Welch University told him that the school would cover all his education costs. For the academic year (which consists of fall and spring semesters), the university charges $10,000 for tuition, $200 for fees, and $5,000 for a dormitory room on campus and the meal plan. Books and supplies are estimated at $750 for the year. Jerry has a choice of purchasing these at the university bookstore or a discount bookstore that's a mile down the road from the University.

Jerry decides to go to Welch University. His financial aid for his freshman year is:

University Grant	*$10,000*
Pell Grant	*$ 3,000*
FSEOG	*$ 1,000*
Subsidized Federal Stafford Loan	*$ 1,950 (net amount)*

Now that he has arrived on campus, he is starting to have misgivings about his decision to attend college and to borrow money. He completed his student loan entrance counseling in the financial aid office. His father has been unemployed for several months, and he is concerned about the financial impact on his family. On top of everything else, Welch is a really big school and far from home. He feels out of place.

Jerry is thinking about dropping out and returning to his family. The fall semester started on September 7 and after two weeks of classes, one quiz, two short papers, and many hours of reading, he knows he can handle the work. Still, it all doesn't feel right. He arrives in your office on September 20 and wants to know how much Title IV money he'll owe if he drops out today. The school has its own refund policy, so Jerry may also need to return institutional funds.

Calculate how much Title IV money the school and Jerry would have to return if he dropped out on September 20, 14 days into the semester counting September 7. The school is not required to take attendance. (The semester is 15 weeks [105 days] and ends on December 22.) There are no scheduled breaks of 5 or more consecutive days. All aid has been disbursed with the exception of the Federal Stafford Loan, but the student is not subject to the 30-day delayed disbursement.

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name ______________________________ **Social Security Number** ____________________

Date Form Completed ___/___/___ **Date of the institution's determination that the student withdrew** ___/___/___

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

> Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	________	________	5. Pell Grant	________	________
2. Subsidized FFEL/Direct Stafford Loan	________	________	6. FSEOG	________	________
3. Perkins Loan	________	________	7. Other Title IV programs*	________	________
4. FFEL/Direct PLUS	________	________	*Do not include FWS		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $ ______ . ___

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $ ______ . ___

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

- Withdrawal date ___/___/___ Payment period/period of enrollment start date ___/___/___ end date ___/___/___
- Percentage of payment period or period of enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence).

☐ completed days ÷ ☐ total days = ___ . ___ %

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C. **C** ______ . ___ %

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

☐ % Box C x ☐ Box B = **D** $ ______ . ___

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

☐ Box D – ☐ Box A = **E** $ ______ . ___

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

☐ Box A – ☐ Box D = **F** $ ______ . ___

Student's Name ____________________ **Social Security Number** ____________________

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	________	Board	________	Other	________
Room	________	Other	________	Other	________

Total Institutional Charges **G** $.

H. Percentage of Title IV aid unearned (100% - Box C) **H** . %

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H). ☐ x ☐ % = **I** $.

Box G Box H

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $.

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	________	5. Pell Grant	________
2. Subsidized FFEL/Direct Stafford Loan	________	6. FSEOG	________
3. Perkins Loan	________	7. Other Title IV programs	________
4. FFEL/Direct PLUS	________		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F). ☐ – ☐ = **K** $.

Box F Box J

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	________	5. Pell Grant	________	x 50%=	________
2. Subsidized FFEL/Direct Stafford Loan*	________	6. FSEOG	________	x 50%=	________
3. Perkins Loan*	________	7. Other Title IV programs (x 50% for grant funds)	________		
4. FFEL/Direct PLUS*	________				

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name ______________________ **Social Security Number** ____________________

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet **A** $.

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account **B** $.

C. Total amount of post-withdrawal disbursement credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student's contracts with the institution) $ __________
- Amount of post-withdrawal disbursement credited for other current charges + $ __________
- Amount of post-withdrawal disbursement credited for minor prior year charges + $ __________

Total Amount Credited to Account **C** $.

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ____/____/____

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ____/____/____

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent **F** $.

G. Notification sent to student and/or parent on ____/____/____

H. ☐ Response received from student/parent on ____/____/____

☐ Response not received

I. Amount accepted **I** $.

J. Accepted funds sent on ____/____/____

Post-Withdrawal Disbursement Made From

Pell Grant __________
FSEOG __________
Other Title IV programs (grants) __________

Subsidized FFEL/Direct Stafford Loan __________
Unsubsidized FFEL/Direct Stafford Loan __________
Perkins Loan __________
FFEL/Direct PLUS __________
Other Title IV programs (loans) __________

[redacted]

Return of Title IV Funds: Determining Trigger Dates
Student's Withdrawal Date
School's Determination that Student Withdrew

Method of Withdrawal	**[1]Student's Withdrawal Date: School *Not Required* to Take Attendance**	**Student's Withdrawal Date: School Required to Take Attendance**	**School's Determination that Student Withdrew**
Student provides notification	➢ Date, as determined by school, student began withdrawal process prescribed by school ➢ Date, as determined by school, that student otherwise provided notification (in writing or orally) of intent to withdraw	Last date of attendance as determined by school's attendance records	Later of student's withdrawal date ***or*** date of notification of withdrawal
Student does not provide notification	Withdrawal *not due* to circumstances beyond student's control: ➢ Mid-point of the payment or enrollment period *— or —* ➢ Date of attendance, as documented by school, at an academically-related event Withdrawal due to circumstance beyond student's control: ➢ Date school determines is related to that circumstance	Last date of attendance as determined by school's attendance records	Date school becomes aware that student has ceased attendance
Student does not return from ➢ Approved leave of absence ➢ Unapproved leave	➢ Date school determines student began leave of absence ➢ Date student began leave of absence	Last date of attendance as determined by school's attendance records	Earlier of date of expiration of leave absence ***or*** date student notifies school that he or she will not be returning

---

[1] Schools not required to take attendance may use as the student's date of withdrawal the last date, as documented by the school, of the student's attendance at an academically-related event.

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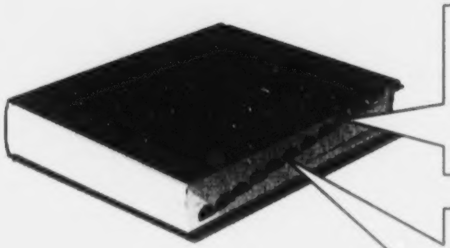
[redacted]

Type of Withdrawal	Student's Withdrawal Date School *Not Required* to Take Attendance	Student's Withdrawal Date School Required to Take Attendance	School's Determination that the Student Withdrew
Student rescinds intent to withdraw but does not complete payment or enrollment period	Student's original withdrawal date, as determined by whether or not student provided notification of intent to withdraw		Date school becomes aware student did not/will not complete the payment or enrollment period

What is the difference between institutional charges & noninstitutional charges?



Institutional Charge

Charges for which the school requires *direct payment.* (i.e., tuition & fees)

Noninstitutional Charge

Charge for educational purpose for which a source outside the school requires payment. (i.e., transportation costs)

Room and Board

Institutional charge if student lives in school-operated housing (i.e., the dorms).

Noninstitutional charge if student lives in housing not affiliated with the school (i.e., a local apartment).

Even if charges pass through the school, still noninstitutional.

Books and Supplies:

Institutional charge if the student can only purchase at a school-affiliated store, like if the school charges the student directly as part of the enrollment agreement, or the school gives the student vouchers that can only be used at the school bookstore.

Noninstitutional charge if the student has a reasonable opportunity to purchase the books and supplies from a vendor not affiliated with the school; the student must be able to make the purchase in time for classes. Even if the student chooses to buy the books from a school vendor, if the student could have bought them from an outside vendor, the charge is noninstitutional.

Checkpoint #1: Definitions

Underline the italicized words that best fit in each choice:

Vlade enrolls at Transylvania State University (TSU). His program, phlebotomy, takes two years to complete. TSU packages $7,000 of financial aid for the first year. The school has two terms per academic year, fall and spring. The school credits Vlade's account with $2,500 to cover *institutional / noninstitutional* charges for the first term. His supplies are available at both the school store and a local business. Vlade decides to purchase them at the school store because they stay open late at night. The school would consider these charges as *institutional / noninstitutional*. While the dormitories are very nice, Vlade decides to live "on his own." Therefore, these charges would be *institutional / noninstitutional*.

After six weeks, Vlade decides he has learned enough. Besides, his eyes tend to melt during his daytime classes. So, he withdraws on October 31st.

The school is not required to take attendance. The school *will / will not* have to check his attendance records to see if he actually attended during the weeks leading up to October 31st.

Return of Title IV Funds
Requirements and Deadlines

Party Responsible	Requirement	Deadline
School	**Determining withdrawal date** for student who withdraws without providing notification	30 days after the end of the earlier of: ➢ Payment or enrollment period ➢ Academic year in which student withdrew ➢ Educational program from which student withdrew
School	**Return of unearned Title IV funds**	As soon as possible, but no later than 30 days after date school determined student withdrew
School	**Post-withdrawal disbursement to student's account for**: ➢ Outstanding current (allowable) charges (e.g., tuition and fees, room and board, etc.) ➢ Minor (under $100) prior year charges for which school has authorization to retain	Within 90 days of date school determined student withdrew, in accordance with requirements for disbursing Title IV funds (§668.164)
School	**Written notification providing student (or parent) opportunity to cancel all/part of loan,** for post-withdrawal disbursements of loan funds (Perkins, FFEL, Direct Loan, or PLUS) to student's account	Within 30 days of disbursement of loan funds, in accordance with requirements for notifications and authorizations (§668.165)
School	**Written notification of student's eligibility for post-withdrawal disbursement in excess of outstanding current (educationally-related) charges**	Within 30 days of date school determined student withdrew
Student (or parent)	**Submit response instructing school to make post-withdrawal disbursement**	Within 14 days of date school sent notification

Party Responsible	Requirement	Deadline
School	**Post-withdrawal disbursement to student** for earned Title IV funds in excess of outstanding current (educationally-related) charges	Within 90 days of date school determined student withdrew
School	**Notification to student** (or parent) **of outcome of late request for a post-withdrawal disbursement to student** (request received by school after 14 day period and school chooses not to make disbursement)	Not specified
School	**Notification to student of grant overpayment**	Within 30 days of date school determined student withdrew
School	**Referral of student to the Secretary**, if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement	Not specified

Steps 7 & 8 Return of Funds by the Student

Important Points

- ✳ Return loan funds before grant funds.
- ✳ Return funds to program ASAP, but no later that 30 days after determining withdrawal.
- ✳ Loans are returned (repaid) in accordance with terms of promissory notes.
- ✳ Grant repayments are limited to 50% of unearned grant received.
- ✳ Schools must follow guidelines in dealing with grant overpayments.

Grant Overpayments

- ✳ School must send student notice within 30 days of determining student's withdrawal.
- ✳ Student retains eligibility for Title IV funds for initial 45-day period, during which one of the following should happen:
  - o Repayment in full,
  - o Satisfactory repayment arrangement with school, or
  - o Satisfactory repayment arrangement with Department.
- ✳ Schools must report overpayments to NSLDS
  - o Mark appropriate flag corresponding to action taken
- ✳ Schools must report within 30 days after
  - o Student takes timely action on options offered,
  - o Student fails to repay overpayment or sign agreement with school within the 45-day period, or
  - o Student fails to meet terms of agreement signed with school.

CASE STUDY: CHERYL

Cheryl has been working at a Real Estate Agency as a Secretary for the past 3 years. Cheryl is a single mom with a five-year-old daughter and realizes that she needs to go to college, take some business courses, and get her real estate license in order to advance in this career. So Cheryl enrolls in a 900 clock-hour program at South Ridge Business Institute (SRBI). For the Academic year (which consists of 900 clock hours over 30 weeks), 450 clock hours over 15 weeks is the payment period. The Institute charges $3500 for tuition and fees, and $500 for books and supplies (which Cheryl must purchase through the school and does not have a "real and reasonable" opportunity to purchase outside the school.)

Cheryl's financial aid for the year is:

State Grant	*$1,500 (not considered LEAP)*
Pell Grant	*$ 1,500*
Subsidized Federal Stafford Loan	*$ 1,000 (net amount)*
Unsubsidized Federal Stafford Loan	*$ 1,950 (net amount)*

Cheryl's classes begin on August 28th and end on December 11th and there are no breaks of 5 or more consecutive days. Cheryl is still able to work part-time at her job. Everything seemed to be going well for Cheryl until her daughter became ill and had to be hospitalized. After learning that her daughter would need a kidney transplant, Cheryl knew that she would not be able to take care of her daughter and attend school at the same time. So Cheryl officially withdraws from school on October 13, completing 204 hours out of the 450 hours she was scheduled to complete.

The school is required to take attendance and so you find out that the last date of attendance for Cheryl was October 9. The financial aid office was having major problems with the computer software, so no financial aid had been disbursed, but the school has a valid ISIR for Cheryl.

Calculate how much Title IV money the school and Cheryl will have to return.

Treatment of Title IV Funds When a Student Withdraws from A Clock Hour Program

Student's Name ____________________ **Social Security Number** ____________________

Date Form Completed ___/___/___ **Date of the institution's determination that the student withdrew** ___/___/___

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

> Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant		
2. Subsidized FFEL/Direct Stafford Loan			6. FSEOG		
3. Perkins Loan			7. Other Title IV programs*		
4. FFEL/Direct PLUS			*Do not include FWS		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $.

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $.

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date ___/___/___

- Percentage of payment period or period of enrollment completed

Calculation 1 - Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment ☐ ÷ ☐ = ___.___%

completed hours total hours

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 - Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew. ☐ ÷ ☐ = ___.___%

completed hours scheduled to complete

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

*Excused absences do NOT count as completed hours. ☐ ÷ ☐ = ___.___% **C** . %

scheduled to complete total hours

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B) ☐% x ☐ = **D** $.

Box C Box B

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

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Student's Name ______________________ **Social Security Number** ____________________

STEP 4: Total Title IV Aid to be Disbursed or Returned: Continued

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

☐ Box D – ☐ Box A = **E** $.

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

☐ Box A – ☐ Box D = **F** $.

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	________	Board	________________	Other	________________
Room	________	Other	________________	Other	________________

Total Institutional Charges **G** $.

H. Percentage of Title IV aid unearned (100% - Box C) **H** . %

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

☐ Box G x ☐ % Box H = **I** $.

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $.

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	________	5. Pell Grant	________
2. Subsidized FFEL/Direct Stafford Loan	________	6. FSEOG	________
3. Perkins Loan	________	7. Other Title IV programs	________
4. FFEL/Direct PLUS	________		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F).

☐ Box F – ☐ Box J = **K** $.

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	________	5. Pell Grant	________	x 50%=	________
2. Subsidized FFEL/Direct Stafford Loan*	________	6. FSEOG	________	x 50%=	________
3. Perkins Loan*	________	7. Other Title IV programs (x 50% for grant funds)	________		
4. FFEL/Direct PLUS*	________				

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name ______________________ **Social Security Number** ________________

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet **A** $.

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account **B** $.

C. Total amount of post-withdrawal disbursement credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student's contracts with the institution) $ ____________
- Amount of post-withdrawal disbursement credited for other current charges + $ ____________
- Amount of post-withdrawal disbursement credited for minor prior year charges + $ ____________

Total Amount Credited to Account **C** $.

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ___/___/______

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ___/___/______

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent **F** $.

G. Notification sent to student and/or parent on ___/___/______

H. ☐ Response received from student/parent on ___/___/______

☐ Response not received

I. Amount accepted **I** $.

J. Accepted funds sent on ___/___/______

Post-Withdrawal Disbursement Made From

Pell Grant	________	Subsidized FFEL/Direct Stafford Loan	________
FSEOG	________	Unsubsidized FFEL/Direct Stafford Loan	________
Other Title IV programs (grants)	________	Perkins Loan	________
		FFEL/Direct PLUS	________
		Other Title IV programs (loans)	________

Return of Title IV Funds
Requirements for Notifications

Party Responsible	Notification	Requirements
School	**Consumer Information**	➢ School's withdrawal policy ➢ School's refund policy ➢ Office(s) designated to receive official notifications of intent to withdraw ➢ Requirements regarding the return of Title IV funds
School	**Written notification of student's eligibility for post-withdrawal disbursement of funds in excess of outstanding current charges (educationally-related)**	➢ Identify type and amount of Title IV funds that make up post-withdrawal disbursement not credited to student's account ➢ Explain that student or parent may accept all or part of disbursement ➢ Advise student or parent that no post-withdrawal disbursement will be made unless school receives response within 14 days of date school sent notice
School	**Response (written or electronic) to late request for post-withdrawal disbursement (that school chooses not to make)**	➢ Outcome of request
School	**Repayment Agreement**	➢ Terms permitting student to repay overpayment while maintaining eligibility for Title IV funds ➢ Repayment in full within 2 years of date school determined student withdrew

CASE STUDY # 1: Credit-hour Schools

Woodmore University is a four-year college. WU participates in Federal Pell, Title IV campus-based and FFEL programs. The academic year for all programs consists of two semesters, each eighteen weeks in length. Coursework is measured in credit hours. Stephanie enrolled for the fall semester at Woodmore University. Her costs for the semester are as follows (charges paid directly to the college are indicated with an asterisk):

*Tuition & fees**	*$7,000*
*Room & board**	*$3,000*
Books & supplies	*$450*
Transportation	*$350*
Personal expenses	*$300*

Stephanie was awarded the following aid for the year:

Woodmore Scholarship	*$5,000*
Federal Pell Grant	*$2,150*
FSEOG	*$1,500*
Subsidized Federal Stafford Loan	*$1,950*
Federal Work Study	*$1,500*

Disbursed to Stephanie's account at the school were:

Woodmore Scholarship	*$2,500*
Federal Pell Grant	*$1,075*
FSEOG	*$750*
Subsidized Federal Stafford Loan	*$1,260*

All aid was disbursed that could have been disbursed during the payment period. She had earned Federal Work-Study each week.

The semester began on August 17 and the last day of the semester is December 20, 125 calendar days later. Stephanie found out that her mother had a terminal cancer disease. Since she was an only child, she knew she would have to dedicate as much time as possible to take care of her mother. So, on October 25, 69 calendar days after the semester began, Stephanie officially withdrew from all her courses and stopped attending classes.

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name ______________________ **Social Security Number** ______________

Date Form Completed ___/___/___ **Date of the institution's determination that the student withdrew** ___/___/___

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	______	______	5. Pell Grant	______	______
2. Subsidized FFEL/Direct Stafford Loan	______	______	6. FSEOG	______	______
3. Perkins Loan	______	______	7. Other Title IV programs*	______	______
4. FFEL/Direct PLUS	______	______	*Do not include FWS		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $.

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $.

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

- Withdrawal date ___/___/___ Payment period/period of enrollment start date ___/___/___ end date ___/___/___
- Percentage of payment period or period of enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence).

☐ ÷ ☐ = ____ %

completed days total days

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C. **C** . %

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

☐ % x ☐ = **D** $.

Box C Box B

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

☐ – ☐ = **E** $.

Box D Box A

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

☐ – ☐ = **F** $.

Box A Box D

Student's Name ______________________ **Social Security Number** ______________________

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees ________ Board ______________ Other ______________
Room ________ Other ______________ Other ______________

Total Institutional Charges **G** $.

H. Percentage of Title IV aid unearned (100% - Box C) **H** . %

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

Box G x Box H % = **I** $.

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $.

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	________	5. Pell Grant	________
2. Subsidized FFEL/Direct Stafford Loan	________	6. FSEOG	________
3. Perkins Loan	________	7. Other Title IV programs	________
4. FFEL/Direct PLUS	________		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F).

Box F – Box J = **K** $.

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	________	5. Pell Grant	________	x 50%=	________
2. Subsidized FFEL/Direct Stafford Loan*	________	6. FSEOG	________	x 50%=	________
3. Perkins Loan*	________	7. Other Title IV programs (x 50% for grant funds)			________
4. FFEL/Direct PLUS*	________				

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name ______________________________ **Social Security Number** ____________________

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet **A** $.

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account **B** $.

C. Total amount of post-withdrawal disbursement credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student's contracts with the institution) $ ______________
- Amount of post-withdrawal disbursement credited for other current charges + $ ______________
- Amount of post-withdrawal disbursement credited for minor prior year charges + $ ______________

Total Amount Credited to Account **C** $.

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ___/___/______

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ___/___/______

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent **F** $.

G. Notification sent to student and/or parent on ___/___/______

H. ☐ Response received from student/parent on ___/___/______

☐ Response not received

I. Amount accepted **I** $.

J. Accepted funds sent on ___/___/______

Post-Withdrawal Disbursement Made From

Pell Grant ____________
FSEOG ____________
Other Title IV programs (grants) ____________

Subsidized FFEL/Direct Stafford Loan ____________
Unsubsidized FFEL/Direct Stafford Loan ____________
Perkins Loan ____________
FFEL/Direct PLUS ____________
Other Title IV programs (loans) ____________

CASE STUDY # 2: CLOCK-HOUR SCHOOLS

Maxine is enrolled in a 900 clock-hour, 30-week culinary program. She has finished the first 450 hours as scheduled during the 15-week fall payment period. She pays $1,000 for each payment period. The tuition and fees for the program come to $2,000.

Maxine was awarded the following aid for each payment period:

Federal Pell Grant	*$1,325*
FSEOG	*$250*
Perkins Loan	*$1,300*

Maxine has finished the first 450 hours as scheduled during the 15-week fall payment period. Completing the second 450 clock hours hasn't been so easy because the weather has been so bad. She lives 30 miles from the school in a rural community. The only way for Maxine to get to the main highway is by taking a series of narrow, winding back roads. With the snow in January, and February not looking much better, she decides to withdraw and complete the program when the weather becomes more cooperative. The second payment period began on January 3. It ends on April 17. Maxine tells the school she's dropping out on February 2, after she has completed 180 clock hours.

Treatment of Title IV Funds When a Student Withdraws from A Clock Hour Program

Student's Name ______________________________ **Social Security Number** ____________________

Date Form Completed ____/____/____ **Date of the institution's determination that the student withdrew** ____/____/____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	________	________	5. Pell Grant	________	________
2. Subsidized FFEL/Direct Stafford Loan	________	________	6. FSEOG	________	________
3. Perkins Loan	________	________	7. Other Title IV programs*	________	________
4. FFEL/Direct PLUS	________	________	*Do not include FWS		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $ ______ . ____

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $ ______ . ____

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date ____/____/____

- Percentage of payment period or period of enrollment completed

Calculation 1 - Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment ______ (completed hours) ÷ ______ (total hours) = ____ . ___ %

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 - Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew. ______ (completed hours) ÷ ______ (scheduled to complete) = ____ . ___ %

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

*Excused absences do NOT count as completed hours. ______ (scheduled to complete) ÷ ______ (total hours) = ____ . ___ % **C** ______ . ___ %

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B) ______ % (Box C) x ______ (Box B) = **D** $ ______ . ____

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

Student's Name ______________________________ **Social Security Number** ____________________

STEP 4: Total Title IV Aid to be Disbursed or Returned: Continued

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

Box D – Box A = **E** $.

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

Box A – Box D = **F** $.

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	________	Board	____________	Other	____________
Room	________	Other	____________	Other	____________

Total Institutional Charges **G** $.

H. Percentage of Title IV aid unearned (100% - Box C) **H** . %

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

Box G x Box H % = **I** $.

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $.

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	________	5. Pell Grant	________
2. Subsidized FFEL/Direct Stafford Loan	________	6. FSEOG	________
3. Perkins Loan	________	7. Other Title IV programs	________
4. FFEL/Direct PLUS	________		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F).

Box F – Box J = **K** $.

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	________	5. Pell Grant	________	x 50%=	________
2. Subsidized FFEL/Direct Stafford Loan*	________	6. FSEOG	________	x 50%=	________
3. Perkins Loan*	________	7. Other Title IV programs	________		
4. FFEL/Direct PLUS*	________	(x 50% for grant funds)			

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name ______________________ **Social Security Number** ________________

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet **A** $.

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account **B** $.

C. Total amount of post-withdrawal disbursement credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student's contracts with the institution) $ __________
- Amount of post-withdrawal disbursement credited for other current charges + $ __________
- Amount of post-withdrawal disbursement credited for minor prior year charges + $ __________

Total Amount Credited to Account **C** $.

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ___/___/___

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ___/___/___

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent **F** $.

G. Notification sent to student and/or parent on ___/___/___

H. ☐ Response received from student/parent on ___/___/___

☐ Response not received

I. Amount accepted **I** $.

J. Accepted funds sent on ___/___/___

Post-Withdrawal Disbursement Made From

Pell Grant	__________	Subsidized FFEL/Direct Stafford Loan	__________
FSEOG	__________	Unsubsidized FFEL/Direct Stafford Loan	__________
Other Title IV programs (grants)	__________	Perkins Loan	__________
		FFEL/Direct PLUS	__________
		Other Title IV programs (loans)	__________

CASE STUDY # 3: Quarter Schools

Cone Community College (CCC) offers one and two-year programs. CCC participates in the Federal Pell and FFEL programs. The academic year consists of four quarters, each eight weeks in length.

Wyle enrolled for the fall quarter at CCC and rented an apartment off campus. His costs for the quarter are as follows (charges paid directly to the college are indicated with an asterisk):

*Tuition & fees**	*$700*
Room & board	*$1,300*
Books & supplies	*$250*
Transportation	*$200*
Personal expenses	*$400*

Wyle was awarded the following aid for the year:

State Grant (non-SSIG)	*$1,250*
Federal Pell Grant	*$2,150*
Subsidized Federal Stafford Loan	*$3,500*

Disbursed to Wyle's account at the school were:

State Grant	*$400*
Federal Pell Grant	*$538*
Subsidized Federal Stafford Loan	*$840*

All aid was disbursed that could have been disbursed.

The quarter began on August 24 and the last day of the quarter is October 18, 55 calendar days later. Wyle decided he was not ready for college and decided to get a full time job. So, on September 10, 17 calendar days after the quarter began, Wyle stopped attending classes. He didn't officially withdraw until September 23, 30 calendar days after the quarter began. Since attendance is not taken, his absence went unnoticed by faculty and administration of the college between September 10 and 23.

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name ______________________________ **Social Security Number** ____________________

Date Form Completed ___/___/___ **Date of the institution's determination that the student withdrew** ___/___/___

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	________	________	5. Pell Grant	________	________
2. Subsidized FFEL/Direct Stafford Loan	________	________	6. FSEOG	________	________
3. Perkins Loan	________	________	7. Other Title IV programs*	________	________
4. FFEL/Direct PLUS	________	________	*Do not include FWS		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $.

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $.

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

- Withdrawal date ___/___/___ Payment period/period of enrollment start date ___/___/___ end date ___/___/___
- Percentage of payment period or period of enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence).

☐ ÷ ☐ = ____ . %

completed days total days

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C. **C** . %

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

☐ % x ☐ = **D** $.

Box C Box B

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

☐ – ☐ = **E** $.

Box D Box A

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

☐ – ☐ = **F** $.

Box A Box D

Student's Name ______________________ **Social Security Number** ________________

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	________	Board	______________	Other	______________
Room	________	Other	______________	Other	______________

Total Institutional Charges **G** $.

H. Percentage of Title IV aid unearned (100% - Box C) **H** . %

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H). ☐ x ☐ % = **I** $.

Box G Box H

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $.

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	________	5. Pell Grant	________
2. Subsidized FFEL/Direct Stafford Loan	________	6. FSEOG	________
3. Perkins Loan	________	7. Other Title IV programs	________
4. FFEL/Direct PLUS	________		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F). ☐ – ☐ = **K** $.

Box F Box J

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	________	5. Pell Grant	________	x 50%=	________
2. Subsidized FFEL/Direct Stafford Loan*	________	6. FSEOG	________	x 50%=	________
3. Perkins Loan*	________	7. Other Title IV programs	________		
4. FFEL/Direct PLUS*	________	(x 50% for grant funds)			

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name ______________________ **Social Security Number** ________________

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet **A** $.

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account **B** $.

C. Total amount of post-withdrawal disbursement credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student's contracts with the institution) $ __________
- Amount of post-withdrawal disbursement credited for other current charges + $ __________
- Amount of post-withdrawal disbursement credited for minor prior year charges + $ __________

Total Amount Credited to Account **C** $.

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ___/___/___

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ___/___/___

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent **F** $.

G. Notification sent to student and/or parent on ___/___/___

H. ☐ Response received from student/parent on ___/___/___

☐ Response not received

I. Amount accepted **I** $.

J. Accepted funds sent on ___/___/___

Post-Withdrawal Disbursement Made From

Pell Grant __________
FSEOG __________
Other Title IV programs (grants) __________

Subsidized FFEL/Direct Stafford Loan __________
Unsubsidized FFEL/Direct Stafford Loan __________
Perkins Loan __________
FFEL/Direct PLUS __________
Other Title IV programs (loans) __________

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name STEPHANIE **Social Security Number** XXX-XX-XXXX

Date Form Completed 10/25/00 **Date of the institution's determination that the student withdrew** 10/25/00

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

> Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant	$1075	
2. Subsidized FFEL/Direct Stafford Loan	$1260		6. FSEOG	$750	
3. Perkins Loan			7. Other Title IV programs*		
4. FFEL/Direct PLUS			*Do not include FWS		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $ 3085.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $ 3085.00

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

- Withdrawal date 10/25/00 Payment period/period of enrollment start date 8/17/00 end date 12/20/00
- Percentage of payment period or period of enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence).

69 (completed days) ÷ 125 (total days) = . %

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C. **C** 55.2%

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

55.2% (Box C) x 3085 (Box B) = **D** $ 1702.92

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

(Box D) – (Box A) = **E** $.

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

3085 (Box A) – 1702.92 (Box D) = **F** $ 1382.08

Student's Name STEPHANIE **Social Security Number** XXX-XX-XXXX

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	$7000	Board		Other	
Room	$3000	Other		Other	

Total Institutional Charges **G** $10,000.00

H. Percentage of Title IV aid unearned (100% - Box C) **H** 44.8%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H). 10,000 (Box G) x 44.8% (Box H) = **I** $ 4480.00

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $ 1382.08

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan		5. Pell Grant	$122.08
2. Subsidized FFEL/Direct Stafford Loan	$1260	6. FSEOG	
3. Perkins Loan		7. Other Title IV programs	
4. FFEL/Direct PLUS			

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F). 1382.08 (Box F) - 1382.08 (Box J) = **K** $ 0.

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*		5. Pell Grant		x 50%=	
2. Subsidized FFEL/Direct Stafford Loan*		6. FSEOG		x 50%=	
3. Perkins Loan*		7. Other Title IV programs (x 50% for grant funds)			
4. FFEL/Direct PLUS*					

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Treatment of Title IV Funds When a Student Withdraws from A Clock Hour Program

Student's Name MAXINE **Social Security Number** 999-99-9999

Date Form Completed 2/2/00 **Date of the institution's determination that the student withdrew** 2/2/00

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

*Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, [illegible]% would be .449 or 44.9%

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant	$1325	
2. Subsidized FFEL/Direct Stafford Loan			6. FSEOG	$250	
3. Perkins Loan	$1300		7. Other Title IV programs*		
4. FFEL/Direct PLUS			*Do not include FWS.		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $2875.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $2875.00

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date 2/2/00

- Percentage of payment period or period of enrollment completed

Calculation 1 - Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment 180 (completed hours) ÷ 450 (total hours) = 40.0%

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 - Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew. 180 (completed hours) ÷ 180 (scheduled to complete) = 100.0%

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

*Excused absences do NOT count as completed hours. 180 (scheduled to complete) ÷ 450 (total hours) = 40.0% **C** 40.0%

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B) 40.0% (Box C) x 2875 (Box B) = **D** $1150.00

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

Student's Name MAXINE **Social Security Number** 999-99-9999

STEP 4: Total Title IV Aid to be Disbursed or Returned: Continued

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

[ ] – [ ] = **E** $.
Box D, Box A

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

[2875] – [1150] = **F** $ 1725 .00
Box A, Box D

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees $1000 Board ______ Other ______

Room ______ Other ______ Other ______

Total Institutional Charges **G** $ 1000 .00

H. Percentage of Title IV aid unearned (100% - Box C) **H** 60 .0%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

[1000] x [60 %] = **I** $ 600 .00
Box G, Box H

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $ 600 .00

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan		5. Pell Grant	
2. Subsidized FFEL/Direct Stafford Loan		6. FSEOG	
3. Perkins Loan	$600	7. Other Title IV programs	
4. FFEL/Direct PLUS			

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F).

[1725] – [600] = **K** $ 1,125 .00
Box F, Box J

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*		5. Pell Grant	$1425	x 50%=	$212.50
2. Subsidized FFEL/Direct Stafford Loan*		6. FSEOG		x 50%=	
3. Perkins Loan*	$700	7. Other Title IV programs (x 50% for grant funds)			
4. FFEL/Direct PLUS*					

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name WYLE **Social Security Number** 000-00-0000

Date Form Completed 10/23/00 **Date of the institution's determination that the student withdrew** 10/23/00

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant	$538	
2. Subsidized FFEL/Direct Stafford Loan	$840		6. FSEOG		
3. Perkins Loan			7. Other Title IV programs*		
4. FFEL/Direct PLUS					

*Do not include FWS

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $1378.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $1378.00

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

- Withdrawal date 9/23/00 Payment period/period of enrollment start date 8/24/00 end date 10/18/00
- Percentage of payment period or period of enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence)

30 ÷ 55 = 54.5%

completed days total days

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C. **C** 54.5%

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

54.5% x 1378 = **D** $751.01

Box C Box B

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

 - = **E** $.

Box D Box A

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

1378 - 751.01 = **F** $626.99

Box A Box D

Student's Name WYLE **Social Security Number** 000-00-0000

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	$700	Board		Other	
Room		Other		Other	

Total Institutional Charges **G** $ 700.00

H. Percentage of Title IV aid unearned (100% - Box C) **H** 45.5%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H). 700 (Box G) x 45.5% (Box H) = **I** $ 318.50

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $ 318.50

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan		5. Pell Grant	
2. Subsidized FFEL/Direct Stafford Loan	$318.50	6. FSEOG	
3. Perkins Loan		7. Other Title IV programs	
4. FFEL/Direct PLUS			

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

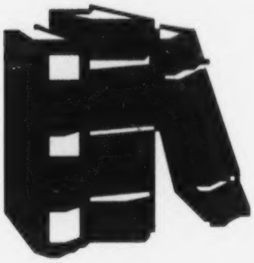
K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F). 626.99 (Box F) - 318.50 (Box J) = **K** $ 308.49

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*		5. Pell Grant		x 50%=	
2. Subsidized FFEL/Direct Stafford Loan*	$308.49	6. FSEOG		x 50%=	
3. Perkins Loan*		7. Other Title IV programs (x 50% for grant funds)			
4. FFEL/Direct PLUS*					

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.



Resources

- *Policy Bulletin-January 7, 1999*
  Institutional versus Noninstitutional Charges
- 34 CFR 668.22
- 34 CFR 668.92 (d) (2) (iii)

Answer Key

Checkpoint #1 – Definitions

Vlade enrolls at Transylvania State University (TSU). His program, phlebotomy, takes two years to complete. TSU packages $7,000 of financial aid for the first year. The school has two terms per academic year, fall and spring. The school credits Vlade's account with $2,500 to cover [✓ *institutional*] / *noninstitutional* charges for the first term. His supplies are available at both the school store and a local business. Vlade decides to purchase them at the school store because they stay open late at night. The school would consider these charges as *institutional* / [✓ *noninstitutional*]. While the dormitories are very nice, Vlade decides to live "on his own." Therefore, these charges would be *institutional* / [✓ *noninstitutional*].

After six weeks, Vlade decides he has learned enough. Besides, his eyes tend to melt during his daytime classes. So, he withdraws on October 31st.

The school is not required to take attendance. The school *will* / [✓ *will not*] have to check his attendance records to see if he has actually attended during the weeks leading up to October 31st.

Policy Bulletins

Publication Date: January 7, 1999

Author: Policy Development Division

Summary: Calculating Institutional Refunds: What Are Institutional Charges?

POLICY INTERPRETATION AND GUIDANCE

STUDENT FINANCIAL ASSISTANCE PROGRAMS
POLICY DEVELOPMENT DIVISION

SUBJECT: Calculating Institutional Refunds: What Are Institutional Charges?

STATUTORY AND REGULATORY CITATIONS: Section 484B of the Higher Education Act of 1965, as amended, (Title IV, HEA) and 34 CFR 668.22.

POLICY /INTERPRETATION/GUIDANCE:

This policy bulletin provides guidance on how to determine whether a charge is an institutional charge when calculating an institutional refund.

Institutional versus Non-Institutional Charges

When a student receives Title IV, HEA program funds to attend an institution and subsequently withdraws, drops out, takes an unapproved leave of absence, fails to return from an approved leave of absence, is expelled, or otherwise fails to complete the period of enrollment for which he or she was charged, federal law and regulations require the institution to make a timely refund of unearned tuition, fees, room and board, and other charges" assessed the student by the institution. When a student withdraws, the institution must also determine if the student owes a repayment of unearned funds that the institution either disbursed to the student directly or, with the student's permission, credited to the student's account to pay for "non-institutional costs." Tuition, fees, room and board, and "other charges" have been collectively and historically referred to as "institutional charges." However, for the purposes of this bulletin, "institutional charges" will hereafter be referred to as "institutional costs" to clarify that institutional and non-institutional expenses are not defined by whether an actual charge has been made to a student's institutional account. As a general rule, institutional costs are defined as expenses that an institution assesses a student for educational expenses that are paid to the institution directly.

Since a repayment calculation involves only non-institutional costs and a refund calculation includes only institutional costs, a critical step in calculating an accurate refund and/or repayment involves determining whether the costs are institutional or non-institutional.

Common Misconceptions about Institutional Costs
☐

The most frequently asked refund question the Department receives is: May this charge be considered a non-institutional cost? In the process of defining what may be considered a non-institutional cost, it seems some institutions have become confused about what constitutes an institutional cost. Therefore, please note the following general refund principles about institutional costs.

Refund Principle 1: Most Costs Are Institutional

The most important principle to keep in mind is that under current federal law and regulations provide that all tuition, fees, room and board, and other charges an institution assesses a student are institutional costs, unless demonstrated otherwise. Thus, an institution is never compelled by federal law and regulations to classify a charge as non-institutional if it wishes to classify the charge as institutional. However, if an institution wishes to exclude specific charges or costs from a refund calculation, it must demonstrate that the charges are either non-institutional costs or are designated as excludable costs under the regulations. Non-institutional and excludable costs are discussed in this bulletin under "General Guidelines for Defining Institutional Costs."

Refund Principle 2: An Institutional Cost Does Not Need To Be Assessed to all Students

Institutions sometimes mistakenly assume that a charge is not an institutional cost because it was not assessed to all students, or the charge was not included in the enrollment agreement. For example, the regulations in 34 CFR 668.22(c)(5)(i) and (d)(3)(i) provide general guidance that "other charges assessed the student by the institution include, but are not limited to. . ., " all items issued by the institution to the student when those charges are specified in the enrollment agreement as separate charges. However, it should be noted that the regulations recognize that other charges are not limited to items that are listed in the enrollment agreement. While a charge must be assessed to all students carrying the same academic workload to be considered an allowable cost of attendance, and Title IV, HEA program funds may only be used to pay allowable cost of attendance charges, it is not true that a charge must be assessed to all students, or be listed in an enrollment agreement, to be considered an institutional cost for refund purposes.

Refund Principle 3: Institutional Costs May or May Not Be Charged to a Student's Account

Please note the following points about institutional charges:

1. All charges to a student's account are not necessarily institutional costs.

With the student's permission, an institution may credit a student's account with Title IV, HEA program funds to pay for non-institutional costs. Consequently, if a student withdraws from the institution with charges for non-institutional costs on his or her account, the institution must use those charges to determine if the student owes a repayment. Specific charges that may be classified as non-institutional costs are defined in the discussion on "General Guidelines for Defining Institutional Costs."

2. Charges that do not appear on the student's institutional account may still be institutional costs.

For example, a student does not have to charge the purchase of required course materials to his or her institutional account for the course materials to be classified as "institutional costs." If an institution disburses funds to a student to buy equipment that he or she is required to have by the first day of class, but the disbursement is so late that the student only has time to purchase the equipment at the school, those costs must be classified as institutional costs because the student does not have "a real and reasonable opportunity" to purchase the equipment from someplace other than the school.

General Guidelines for Defining Institutional Costs

The following educational expenses must be considered institutional costs:

- All charges for tuition, fees, and room and board (if contracted with the institution); and
- Expenses for required course materials, if the student does not have a "real and reasonable opportunity" to purchase the required course materials from any place but the institution.

Exceptions

The total amount of all institutional costs must be used in the calculation of a refund, including the calculation of unpaid charges, if they are specifically designated as excludable.

"Excludable" costs are defined as:

Costs that the regulations permit an institution to exclude from the total amount of institutional charges when calculating a refund, such as an administrative fee (34 CFR 668.22(c)(4) and (d)(2)), documented cost of unreturnable equipment, and the documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal (34 CFR 668.22(c)(5)(ii) and (d)(3)(ii)).

Non-institutional costs include:

1. A charge for any required course materials that an institution can document are non-institutional because the student had "a real and reasonable opportunity" to purchase them elsewhere (Please see the discussion that follows.);

2. A charge to the student's account for room charges that are collected by the institution but are "passed through" to an unaffiliated entity (See, 34 CFR 668.22(c)(6)(i) or (d)(4)(i));

3. A charge to student's account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal; or

4. A charge to a student's account for discretionary educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

Demonstrating "Real and Reasonable Opportunity"

When the final regulations implementing the institutional refund and repayment rules were published in the Federal Register on November 29, 1994, the Department provided an exception to the refund rules to allow an institution to treat certain charges as non-institutional costs when the institution can show that its students have the option of obtaining required course materials from the institution or receiving payment of the funds from the institution to purchase the items from alternative sources.

This exception was discussed in the preamble discussion to the November 29, 1994 regulations on page 61163:

If an institution does not have a separate charge for equipment and the student has the option [emphasis added] of purchasing the equipment from more than one source, the institution would not have to include the equipment charge in the pro rata calculation.

With regard to this exception, please note that if an institution wishes to classify the cost of required books, supplies, and equipment as non-institutional costs, it must be able to substantiate that an option actually existed for its students. For example, the institution must be able to demonstrate that: 1) the required course materials were available for purchase at a relatively convenient location unaffiliated with the school; and 2) the institution did not restrict the availability of financial aid funds, so its students could exercise the option to purchase the required course materials from alternative sources.

An institution would not be able to demonstrate that a student had a real and reasonable opportunity to purchase his or her required course materials from alternative sources if one of the following is true:

- The required course materials are not available elsewhere (i.e., they were only available at the institution), or they are not conveniently available for purchase from another vendor unaffiliated with the institution;
- When financial aid* is available to the institution for disbursement to the student, the institution does not make those funds available to the student in time to purchase the required materials from another vendor before those materials are required for academic purposes;

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* Financial aid is defined in 34 CFR 668.22(i) as federal, state, institutional, or other scholarship, grant, or loan program funds.

- The institution's practices do not allow or discourage a student (e.g., the use of vouchers that are only good at the campus bookstore or the late disbursement of funds to students to pay for non-institutional costs) from exercising his or her option to purchase the required course materials from another vendor; or

- The institution has the student sign a statement saying that the student has the option to purchase course materials from someplace other than the school, but the institution is unable to document that an option truly existed.

Excludable Institutional Costs

The regulations also allow institutions to exclude the following costs from pro rata and Federal refund calculations if the school's return policies are reasonable, consistent, and fair to all students, and students were notified, in writing, of the school's policies when they enrolled.

- An administrative fee (up to $100 or 5% of the total institutional costs, whichever is less);

- The institution's documented cost for non-returnable equipment; and

- The institution's documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal.

Please note that the institution is responsible for demonstrating that its policy on non-returnable equipment is reasonable, consistent, and fair to students. For example, it is not reasonable or fair to students to classify all used books or equipment as non-returnable. An institution must be able to demonstrate that there are specific circumstances that would prevent the institution from selling the books or equipment to other students. Also, if the institution's students are not notified in writing about the school's return policy when they enroll or the policy is not consistent with federal regulations on excludable costs, the institution may not exclude the documented cost of books, supplies, and equipment from any refund calculations.

Applying the Rules: Is this an Institutional Cost?

To see how the guidelines for defining institutional costs can be applied, let us consider how an institution would determine whether a charge for tools is non-institutional or institutional. A student is required to purchase certain types of high quality tools for his program of study by the first day of class. The institution's enrollment agreement does not contain a charge for the tools, and it does not say that the student is required to purchase the tools from the institution or a vendor affiliated with the school. The required tools are available for purchase from the institution and from a retailer across the street from the school. As a routine practice, the institution obtains permission to credit all financial aid to students' institutional accounts, and establishes a line of credit for students at the campus bookstore so they can purchase the required tools by the first day of class. All students buy the tools at the campus bookstore and charge the purchase to their institutional accounts.

The first step would be to determine if the purchase of the tools falls under the category of expenses that are generally considered institutional charges. Although the cost of the tools is not listed as a charge in the student's enrollment agreement, the institution requires the student to purchase the tools for his program of study. Therefore, as a general rule, the tool charges will be considered institutional costs. However under the exceptions rule, the tool charges may be considered non-institutional if the institution can document that its students had a "real and reasonable opportunity" to purchase the tools from someplace other than the institution. The real and reasonable test would be if the institution could demonstrate the following: 1) the tools were available for purchase elsewhere; 2) the institution made financial aid available to students in time to purchase the tools from another vendor before the first day of class; and 3) the institution's practices provide students with an equal opportunity to purchase the tools from the campus bookstore or the retailer across the street.

In this case, the institution meets the first criterion: the tools are available at the store across the street, so an opportunity could exist. However, the institution fails to satisfy the second and third criteria because the institution's routine practice of crediting students' accounts with all financial aid, and extending lines of credit for purchases at the campus bookstore, does not allow its students the option of purchasing the required tools from the retailer across the street. Therefore, the only choice this institution's students have is to purchase the tools at the campus bookstore. As a result, the cost of the tools must be classified as institutional costs.

Summary

The following summarizes the key points contained in this bulletin:

1. Institutional costs are defined as charges that an institution assesses a student for educational expenses that must be paid to the institution directly.

2. An institution either disburses financial aid to the student directly to pay for non-institutional costs, or the institution may, with the student's permission, credit the student's account to pay for non-institutional charges.

3. Institutional costs are used to calculate institutional refunds.

4. Non-institutional costs are used in repayment calculations.

5. Current federal law and regulations governing institutional refunds provide that all tuition, fees, room and board, and other charges an institution assesses a student are institutional costs, unless demonstrated otherwise.

6. If an institution wishes to exclude specific charges or costs from a refund calculation, it must demonstrate that the charges are either non-institutional costs or are excludable costs under the regulations.

7. An institutional cost does not have to be charged to all students or be listed as a charge in an enrollment agreement to be classified as an institutional cost.

8. All charges to a student's account are not necessarily institutional costs.

9. If a charge does not appear on the student's institutional account, it may still be an institutional cost.

10. Tuition, fees, room and board (if contracted with the institution) are always institutional costs.

11. Expenses for required course materials are institutional costs, if the student does not have a real and reasonable opportunity to purchase the required course materials from any place but the institution he or she is attending.

12. The total amount of all institutional costs must be used to determine the student's unpaid charges and the refund due the student.

13. If an institution wishes to classify the cost of required course materials as non-institutional costs, it must be able to substantiate that: 1) the required course materials were available for purchase at a relatively convenient location unaffiliated with the school; and 2) the institution made financial aid funds available to students in a timely manner, so its students could exercise the option to purchase the required course materials from alternative sources.

14. "Excludable" costs are costs that the regulations permit an institution to exclude from the total amount of institutional charges when calculating a refund, such as an administrative fee, documented cost of unreturnable equipment, and the documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal.

15. Non-institutional costs include: charges for any required course materials that an institution can document are non-institutional because the student had "a real and reasonable opportunity" to purchase them elsewhere; a charge to the student's account for room charges that are collected by the institution but are "passed through" to an unaffiliated entity; a charge to student's account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal; and a charge to a student's account for discretionary educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

If you have any policy-related questions that are not answered by this bulletin, please call the Policy Development Division at (202) 708-8242.

Thank you.
☐

☐
Jeff Baker, Director
☐
Policy Development Division
☐
Student Financial Assistance Programs

Session 14

Professional Judgment

Questions we will answer during this session:

What is professional judgment?

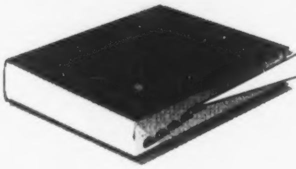
How do you adjust Cost of Attendance?

How do you adjust Expected Family Contribution?

What are some other ways you can exercise professional judgment?

BEST COPY AVAILABLE

What is professional judgment?



Professional judgment – a *discretionary* action on the part of the financial aid office to address *unusual* circumstances that affect a student's ability to pay his or her educational expenses; must be *documented* in student's file

Discretionary:	not required by law to use it
Unusual:	not for across-the-board changes; only on a case-by-case basis

Examples of Documentation

1.____________________

2.____________________

3.____________________

4.____________________

5.____________________

6.____________________

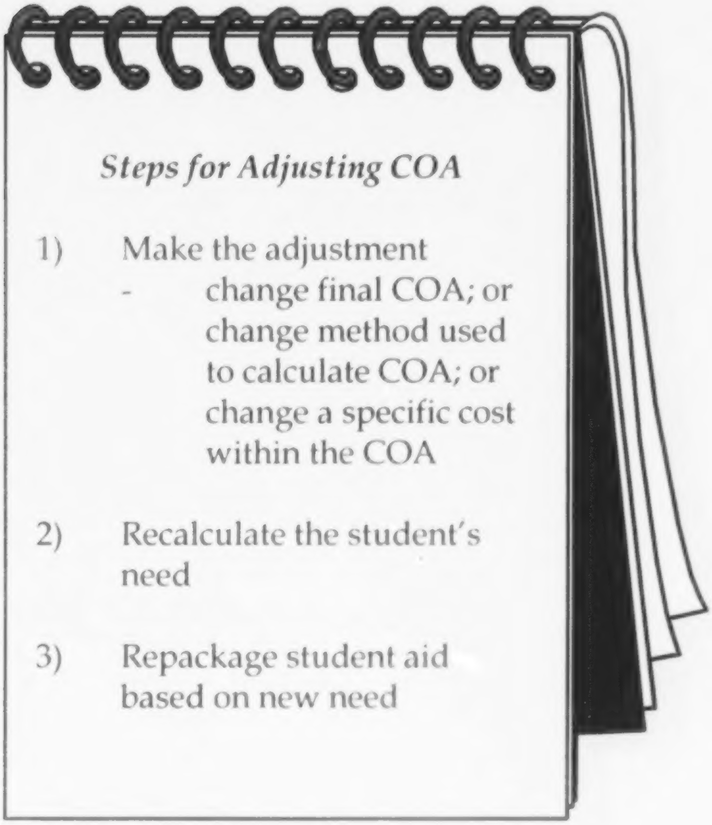
7.____________________

8.____________________

9.____________________

10.____________________

How do you adjust cost of attendance (COA)?



Steps for Adjusting COA

1) Make the adjustment
   - change final COA; or change method used to calculate COA; or change a specific cost within the COA

2) Recalculate the student's need

3) Repackage student aid based on new need

COA costs to adjust using professional judgment:

- **tuition and fees**
- **books, supplies, transportation, and miscellaneous expenses**
- **room and board**
- **dependent-care expenses**
- **study-abroad expenses**
- **disability-related expenses**
- **employment expenses related to cooperative education programs**
- **student loan fees**

Case Study

Adjusting Cost of Attendance

Stephen comes to you the day before school starts. He explains that his disability, which involves his leg muscles, has worsened considerably over the last few months. Stephen's doctor has ordered him to purchase a special wheelchair in order to get around campus and attend classes comfortably. He may also need additional pain medication. You already have some disability-related expenses built in to Stephen's cost of attendance.

With this in mind, answer the questions that follow.

1. **What would you collect from Stephen in order to document his file?**

2. **How would you adjust Stephen's COA to account for the additional costs? (Give the data elements you would adjust.)**

3. **Would you exercise professional judgment in this case? Why or why not?**

How do you adjust Expected Family Contribution (EFC)?

Steps for Adjusting EFC

1) Adjust EFC data element
    - can't adjust EFC itself, or method of calculation, only data element

2) Calculate adjusted EFC
    - EDExpress calculation or hand calculation using need analysis worksheets

3) Recalculate Pell
    - if Pell changes, go to Step 4
    - if Pell doesn't change, skip to Step 5

4) Report adjustments to CPS
    - since Pell changed, need new official EFC from CPS to award aid
    - update ISIR (using EDExpress or similar software)

5) Recalculate need based on COA-EFC

6) Repackage student aid based on new EFC

Case Study

Adjusting Cost of Attendance

Larissa comes to you the day before classes begin. She explains that the father of her 3-year-old daughter is unemployed, and has stopped paying child support of $500 per month. Larissa fears that this income reduction will make her unable to pay for any educational expenses not covered by financial aid. Her EFC is currently 420. She asks if there is anything you can do to help.

With this in mind, answer the questions that follow.

1. **What would you collect from Larissa in order to document her file?**

2. **How would you adjust Larissa's EFC to account for the loss of income? (Look back at the need analysis worksheets on pages 5 and 6 of Session 4. Use them to figure out which data elements to adjust.)**

3. **Would you exercise professional judgment in this case?** Why or why not?

What are some other ways you can exercise professional judgment?

Dependency Override

- Occasionally done on FAFSA; usually done on ISIR.
- A student that starts as independent can't be changed to dependent.

Certifying Additional Unsubsidized Loans

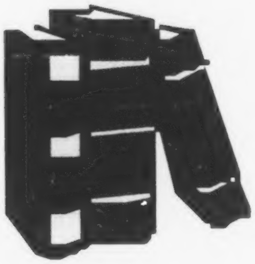
- for borrowers whose parents are unable to take out PLUS loans due to adverse credit, not for borrowers whose parents REFUSE to take out PLUS loans

Adjusting Satisfactory Academic Progress Requirements

- due to mitigating circumstances only

Declining to Certify a Student Loan Application or Certifying it for a Lesser Amount

- must be explained to student in writing



Resources

- ★ *Federal Student Financial Aid Handbook: Student Eligibility*

Answer Key

Documentation Examples

Letters from doctors, lawyers and employers; cancelled checks; copies of bills; copies of pay stubs; copies of tax documents; worksheets the FAA completes for COA or EFC recalculations or for repackaging

Case Study #1 – Adjusting COA

1) **doctor's notes; doctor bills; proof of expense of wheelchair and medication; evidence that expenses won't be covered by insurance**
2) **adjust COA itself; increase disability-related expenses, miscellaneous expenses, personal expenses**
3) **Answers will vary**

Case Study #2 – Adjusting EFC

1) **proof of child support payments; proof of requirement that father must make payments; proof of monthly expenses; Larissa's pay stub**
2) **adjust Larissa's AGI or other income elements**
3) **Answers will vary**

Acronyms

APPENDIX A

Acronyms - Appendix A

-A-

AAI Adjusted Available Income

ACA Administrative Cost Allowance

ACCSCT Accrediting Commission for Career Schools and Colleges of Technology

ACH/EFT Automated Clearinghouse/Electronic Funds Transfer

ACICS Accrediting Council for Independent Colleges and Schools

ACN Audit Control Number

ACT American College Testing

ADC Aid to Dependent Children

ADP Automated Data Processing

AFDC Aid to Families with Dependent Children

AGI Adjusted Gross Income

AI Available Income

AICPA American Institute of Certified Public Accountants

ANN Announcement "Dear Colleague" Letters

AOS Application Ordering System

APA [Educational Savings and] Asset Protection Allowance

ATB Ability to Benefit

ATI Available Taxable Income

AVR Automated Voice Response

AY Academic Year

-B-

BBAY Borrower-Based Academic Year

-C-

CAN Common Accounting Number

CAP Corrective Action Plan

CB Campus-based programs and campus-based "Dear Colleague" Letter

CBO Congressional Budget Office

CBT Computer-Based Training

CCA Career College Association

CEO Chief Executive Officer

CFR Code of Federal Regulations

COA Cost of Attendance

COHEAO Coalition of Higher Education Assistance Organizations

CPA Certified Public Accountant

CPS Central Processing System

CR Credit

CSS College Scholarship Service

-D-

DCL "Dear Colleague" Letter

DCS Debt Collection Service

DIC Dependency and Indemnity Compensation

DL Direct Loan "Dear Colleague" Letter

DLP Direct Loan Payment

DRN Data Release Number

DRAP Default Reduction Assistance Program

-E-

EA Employment Allowance

EAC Electronic Access Conference

EADA Equity in Athletics Disclosure Act of 1994

EAPS Electronic Applications

EASFAA Eastern Association of Student Financial Aid Administrators

EASI [Project] Easy Access for Students and Institutions

ED U.S. Department of Education

EDCAPS ED Central Automated Processing System

EDE Electronic Data Exchange

EDGAR Department of Education General Administration Regulations

EDI Electronic Data Interchange

EFA Estimated Financial Assistance

EFC Expected Family Contribution

EFN Exceptional Financial Need

EFT Electronic Funds Transfer (See also *ACH/EFT*)

EIN Entity Identification Number

EOC Educational Opportunity Center

EPI Electronic Payment Information

ESOA Electronic Statement of Account

EST Eastern Standard Time

ET Eastern Time

-F-

FAA Financial Aid Administrator

FAD Final Audit Determination

FADHPS Financial Assistance for Disadvantaged Health Professions Students

FAFSA Free Application for Federal Student Aid

FAO Financial Aid Office *or* Financial Aid Officer

FAT Financial Aid Transcript

FCC Federal Capital Contribution (part of the Perkins Loan Program)

FEDWIRE (Automated FEDWIRE) U.S. Treasury Financial Communication System/Deposit Message Retrieval System *or* Federal Reserve Communications System (not a U.S. Treasury wire transfer system)

FERPA Family Education Rights and Privacy Act

FFEL Federal Family Education Loan

FFY Federal Fiscal Year

FIPSE Fund for the Improvement of Postsecondary Education (in the U.S. Department of Education)

FISAP The Fiscal Operations Report and Application to Participate in Campus-Based Programs (FSEOG, FWS, and Federal Perkins Loan Programs)

FLD Final Letter of Determination

FO Fiscal Officer

FRB Federal Reserve Bank

FRCS Federal Reserve Communications System

FROE Final Report of Expenditures

FS Financial Services (in the U.S. Department of Education; formerly called Accounting and Financial Management Services [AFMS] and Financial Management Service [FMS])

FSEOG Federal Supplemental Educational Opportunity Grant

FT Full Time

FTS Federal Telecommunications System

FWS Federal Work-Study

FY Fiscal Year

-G-

G Guaranty Agency "Dear Colleague" Letter

GA Guaranty Agency

GAO General Accounting Office

GAPS Grant Administration & Payment System

GAS Government Auditing Standards

GED General Education Development Certificate

GEN General "Dear Colleague" Letter

GLOS Guarantor and Lender Oversight Staff (in the U.S. Department of Education)

GPA Grade Point Average

GPO Government Printing Office

-H-

HBCUs Historically Black Colleges and Universities

HEA Higher Education Act of 1965, as amended (most recently in 1998)

HEAL Health Education Assistance Loan

HPSL Health Professions Student Loan Program

-I-

IAM Integrated Application Menu

ICC Institutional Capital Contribution

ICR Income Contingent Repayment Plan

IDPS Institutional Default Prevention System

IFAP Information for Financial Aid Professionals (web site)

IHE Institution of Higher Education

INS Immigration and Naturalization Service

IPA Income Protection Allowance

IPOS Institutional Participation and Oversight Service (in the U.S. Department of Education)

IRA Individual Retirement Account

IRQF Information Request Form (Part 2 of SAR)

IRS Internal Revenue Service

IRVF Information Review Form (Part 2 of SAR)

ISAMS Integrated Student Aid Management System

ISIR Institutional Student Information Record

-J-

JIT Just-in-Time Payment Method

JLD Job Location and Development Programs

JTPA Job Training Partnership Act

-K-

No entries

-L-

L FFEL Program "Dear Colleague" Letter for lenders

LAN Local Area Network

LD Limited Distribution "Dear Colleague" Letter

LDA Last Day of Attendance

LEAP Leveraging Educational Assistance Partnership Program (formerly SSIG)

LOA Leave of Absence *or* Letter of Application

LOC Loan Origination Center

LOE Level of Expenditure

LS&T Limitation, Suspension, or Termination

-M-

MASFAA Midwest Association of Student Financial Aid Administrators

MISAA Middle Income Student Assistance Act of 1978

MPN Master Promissory Note

MPR Multiple Reporting Record (part of RFMS)

-N-

NAACS National Association of Accredited Cosmetology Schools

NACCAS National Accrediting Commission of Cosmetology Arts and Sciences

NACUBO National Association of College and University Business Officers

NAS Need Analysis Servicer *or* Need Analysis System

NASEA National Association of Student Employment Administrators

NASFAA National Association of Student Financial Aid Administrators

NCHELP National Council of Higher Education Loan Programs

NCS National Computer Systems

NDEA National Defense Education Act

NDSL National Direct Student Loan Program *or* National Defense Student Loan Program (no longer in existence, but still collected)

NFC National Finance Center

NIH National Institutes of Health

NPRM Notice of Proposed Rulemaking

NRM Negotiated Rulemaking

NSF Non-Sufficient Funds

NSLDS National Student Loan Data System

NSSP National Science Scholars Program (no funding beginning 1996-97)

-O-

OC Object Classification Code

OCFO Office of the Chief Financial Officer

OCR Office for Civil Rights (in the U.S. Department of Education)

OGC Office of the General Counsel (in the U.S. Department of Education)

OIG Office of the Inspector General (in the U.S. Department of Education)

OMB Office of Management and Budget

OPE Office of Postsecondary Education (in the U.S. Department of Education)

OPM Office of Personnel Management

OSFA Office of Student Financial Assistance (in the U.S. Department of Education)

-P-

P Federal Pell Grant "Dear Colleague" Letter

PAN Payee Account Number

PAS Presidential Access Scholarship *or* Primary Accounting System

PBO Performance-Based Organization (current structure of OSFA)

PC Parental Contribution *or* Personal Computer

PCA Parents' Contribution from Assets *or* Pre-Claims Assistance

PDD Policy Development Division (in the U.S. Department of Education)

PDF Portable Document Format

PDL Program Determination Letter

PHEAA Pennsylvania Higher Education Assistance Agency

PIPD Performance Improvement and Procedures Division (in the U.S. Department of Education)

P. L. Public Law

PLUS Parent Loans for Undergraduate Students (now used only as an acronym)

POP Potential Overaward Project (Pell-related)

PPA Program Participation Agreement

PRCN Program Review Control Number

PRD Program Review Determination

PSS Program Systems Service (in the U.S. Department of Education)

PT Part Time

-Q-

QA Quality Assurance

QAP Quality Assurance Program (in the U.S. Department of Education; formerly Institutional Quality Assurance Program)

QC Quality Control

-R-

RDE Recipient Data Exchange

REPS Restored Entitlement Benefits for Survivors—Section 156

RFMS Recipient and Financial Management System (part of Pell)

RIGA Regional Inspector General for Audit

RMASFAA Rocky Mountain Association of Student Financial Aid Administrators

RO Regional Office

ROTC Reserve Officers' Training Corps

-S-

SAIG Student Aid Internet Gateway

SAO Statement of Account

SAP Satisfactory Academic Progress

SAR Student Aid Report

SARA Name for processed ISIRs

SASFAA Southern Association of Student Financial Aid Administrators

SAY Scheduled Academic Year

SC Student Contribution

SCA Student Contribution from Assets

SCP Scheduled Cash Payment

SFA Student Financial Aid (programs)

SG State (LEAP) "Dear Colleague" Letter

SIC Student's Income Contribution

SLEAP Special Leveraging Educational Assistance Partnership Program (formerly SSIG)

SLMA Student Loan Marketing Association, also called "Sallie Mae"

SLRA Student Loan Reform Act of 1993

SNT Simplified Needs Test

SOA Statement of Account

SPCA Supplemental Pre-Claims Assistance

SSA Social Security Administration

SSCR Student Status Confirmation Report

SSIG State Student Incentive Grant (now replaced by LEAP program)

SSN Social Security Number

STX State and Other Tax Allowance

SWASFAA Southwestern Association of Student Financial Aid Administrators

-T-

TC Total Contribution

TI Total Income

TIV WAN Title IV Wide Area Network

TRIO HEA federal outreach programs for disadvantaged students: Educational Opportunity Centers, Talent Search, Upward Bound, Upward Bound—Math/Science, Ronald E. McNair Post-Baccalaureate Achievement, Training Program for Special Programs Staff and Leadership Personnel, and Student Support Services

-U-

U.S.C. United States Code (of law)

-V-

VA U.S. Department of Veterans Affairs

VEAP Post-Vietnam Veterans Educational Assistance Program

VISTA Volunteers in Service to America

-W-

WASFAA Western Association of Student Financial Aid Administrators

-X, Y, Z-

YTD Year-to-Date (part of RFMS)

Glossary

APPENDIX B

Glossary - Appendix B

A-

Ability to Benefit (ATB) A postsecondary education eligibility standard for persons who:

(a) do not have a high school diploma or its recognized equivalent and

(b) are beyond the age of compulsory school attendance.

To be eligible to receive federal student financial aid, the Higher Education Act, as amended, requires these persons to pass an independently administered test approved by the U.S. Secretary of Education.

Academic Year (AY) A time period of at least 30 instructional weeks in which a full-time undergraduate student is expected to complete:

- 24 semester or trimester hours or 36 quarter hours at an institution using credit hours in an educational program whose length is measured in credit hours, *or*
- at least 900 clock hours at an institution using clock hours.

However, there is an exception for those schools with at least a two-year or four-year academic program with an associate or bachelor's degree. Those schools may request, in writing, that ED reduce the minimum period of instructional time of the academic year for any of its programs as long as they are at least 26 weeks in length.

Acceptable Documentation Written documents, such as U.S. income-tax returns and signed statements from the applicant and the applicant's family, that substantiate information reported on a student aid application. The *SFA Handbook: Student Eligibility* lists documents accepted as proof that applicant data are accurate. See also *Documentation* and *Verification*.

Accounting Period A time period for which financial records are maintained and, at the end of which, financial statements are prepared.

Accredited Institution Any school or institution that meets standards established by a nationally recognized accrediting agency or association. See also *Accrediting Agency*, *Nationally Recognized Accrediting Agency or Association*, and *Preaccredited Institution*.

Accrediting Agency An agency that sets educational standards, evaluates institutions, and certifies that institutions have met its standards and is recognized by the U.S. Secretary of Education as a reliable authority in evaluating the educational quality of programs offered by postsecondary institutions. See also *Nationally Recognized Accrediting Agency or Association*.

Accrued Salaries Wages earned by students between the date that the students were last paid and the end of the accounting period being reported, but not yet paid to the students. The unpaid wages are considered a school liability.

ACH and ACH/EFT See *Automated Clearinghouse (ACH)*.

Actual Interest Rate The annual interest rate a lender actually charges on a loan, which may be equal to or less than (but not more than) the loan's applicable interest rate.

Adjusted Gross Income (AGI) A specific income figure taken from a completed federal income-tax form filed in compliance with IRS regulations and guidelines.

Administrative Capability An institution must demonstrate specific areas in its management of its federal student financial aid programs, including:

- establishing and maintaining student records and financial records,
- submitting required ED reports,
- designating a capable financial aid administrator at the institution,
- writing procedures for school offices involved with federal student financial programs,
- communicating to the financial aid administrator all information received by any school office that might affect a student's federal student financial aid eligibility,
- dividing the functions of authorizing payments and disbursing loan funds,
- employing an adequate number of qualified staff, *and*
- participating in ED-provided electronic processes.

It also includes:

- providing adequate checks and balances,
- establishing, publishing, and applying reasonable standards of satisfactory academic progress for students,
- developing an adequate system to identify and resolve inconsistent information on documents,
- providing adequate financial aid counseling,
- providing all program and fiscal reports and financial statements required for compliance, *and*
- referring any instance of suspected fraud or criminal conduct by a federal student financial aid applicant to ED's Office of Inspector General.

Also, an institution must:

- not demonstrate any evidence of significant problems that affect its ability to administer Title IV funds,
- not have a student-loan cohort default rate of 25 percent or higher, *and*
- not appear to lack the ability to administer Title IV programs competently.

Administrative Cost Allowance (ACA) An amount the federal government allows an institution to offset for the cost of administering a Title IV program.

Administrative Offset An offset assessed by ED against a Title IV aid school to collect program review, audit, and formal fine debts. ED withholds portions of a school's GAPS payments and applies them toward the school's debt.

Advance Payment Method See *Automated Clearinghouse*.

Allocation A specific sum of money awarded for an institution to use during a specific period. Campus-based funds (Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan) are allocated to an institution on an award-year basis. Allocation may also be referred to as obligation, award, grant, or Document Number.

Allocation Order A priority list, established by ED, that states the order in which refunds are to be made to federal financial aid program accounts if a student withdraws, drops below half-time status, is expelled, or drops out during the refund period. By law, refunds must be allocated to Title IV programs in a specified order, as follows:

(1) Federal Family Education Loan (FFEL) Program

(2) William D. Ford Federal Direct Loan Program

(3) Federal Perkins Loan Program

(4) Federal Pell Grant Program

(5) Federal Supplemental Educational Opportunity Grant (FSEOG) Program

(6) All other Title IV programs

See also *Refund* and *Refund Policy*.

Allowances Financial modifications included in need-analysis formulas to provide for a family's non-discretionary expenses or to allow them to shelter assets or income for retirement or emergency purposes. In establishing students' costs of attendance (COAs), allowances are reasonable amounts allotted by an institution to reflect most students' education expenses.

Appeal Procedure The process by which a school requests reconsideration of an adverse ED ruling, such as liabilities to redress audit or program review findings.

Appeal Process The process by which a student requests further consideration in the financial aid process after being denied aid.

Applicable Interest Rate The maximum annual interest rate that a lender may charge on a student loan.

Applicant Roster and Tape Service See *Institutional Student Information Record (ISIR).*

Appropriation At the federal level, a congressional legislative act allocating a specific amount of public funds to be spent for a specific purpose during a fiscal or award year. See also *Continuing Resolution.*

Assets Financial holdings, such as cash on hand in checking and savings accounts, trusts, stocks, bonds, other securities, loans, receivables, real estate (excluding the home), business equipment, and business inventory that must be reported on a student financial aid application. These are considered in determining a student's Expected Family Contribution (EFC). See also *Expected Family Contribution (EFC)* and *Education Savings and Asset Protection Allowance.*

Assignment A school's transfer of a defaulted Federal Perkins Loan to ED for collection. Once ED accepts a loan, it acquires all rights, title, and interest on the assigned loan. In certain cases, guaranty agencies also assign defaulted loans under the FFEL Program to ED.

Audit An independent examination of a school's financial transactions, accounts, reports, and compliance with applicable laws and regulations to determine whether the institution is maintaining effective control over revenues, expenditures, assets, and liabilities; whether the institution is properly accounting for resources, liabilities, and operations; whether financial reports contain accurate, reliable, and useful financial information and are accurately presented; and whether the institution is complying with applicable laws, regulations, and ED directives. A financial audit also studies and evaluates the institution's internal accounting and administrative controls, as well as the policies, procedures, and practices used in administering student financial assistance programs. See also *Independent Audit.*

Audit Exceptions School actions found through an audit that are not in compliance with federal guidelines.

Audit Guide The reference manual published by ED that is designed to assist independent auditors performing audits of Title IV student financial aid programs.

Audit Report A report prepared by ED after a federal audit is performed. In a nonfederal audit, an audit report is a report prepared by an auditor or audit firm according to the guidelines provided in the *Audit Guide* and ED's "Dear Colleague" Letter GEN-92-17 (Non-Federal Technical Bulletin 92-1) *or* according to OMB Circulars A-128 or A-133. See also *Federal Audit.*

Authorization (legislative) At the federal level, a congressional legislative act that establishes a program, specifies its general purpose and conduct and, unless open-ended, sets a ceiling for the dollar amount that can be used to finance it. An authorization must be enacted before dollar amounts can be appropriated for program spending.

Authorization (spending) The approved expenditure level for a program for an award year. Each award year, ED notifies each participating institution of its authorized levels of expenditures for the Federal Pell Grant and the campus-based programs. See also *Official Notice of Funding* and *Statement of Account (SOA).*

Automated Clearinghouse (ACH) A nationwide, electronic financial network providing a paperless, efficient means of making payments by electronically transmitting debits and credits through the Federal Reserve Communications System. ACH payments offer a wide range of applications, including direct deposit and preauthorized debits. Also referred to as Automated Clearinghouse/Electronic Funds Transfer (ACH/EFT).

Automatic Zero EFC (Expected Family Contribution) A dependent student qualifies if the student's parents filed, or are eligible to file, an IRS Form 1040A or 1040EZ or are not required to file and the sum of both parents' adjusted gross incomes or earned incomes is $12,000 or less. An independent student with dependents other than a spouse qualifies if the student (and spouse, if applicable) filed or is eligible to file an IRS Form 1040A or 1040EZ *or* the student (and spouse, if applicable) is not required to file and the student's (and spouse's, if applicable) adjusted gross income(s) or earned income(s) is $12,000 or less. See also *Expected Family Contribution (EFC)*.

Award A specific amount of financial assistance to pay for education costs offered to a student through one or more financial aid programs.

Award Adjustment or Revision An action by a financial aid office resulting in an increase, decrease, program-source substitution, or cancellation of a student's financial aid award.

Award Letter A notification to student financial aid applicants outlining the types and amounts of aid being offered, as well as specific loan program information, student responsibilities, and the conditions that govern the award(s).

Award Year The time period beginning July 1 of one year through June 30 of the following year for which financial aid awards are made. The award year differs from the federal fiscal year (beginning October 1 of one year through September 30 of the following year).

-B-

Base Year (for financial aid awards) The 12-month period ending on December 31 of the calendar year that precedes an award year. For example, calendar year 1997 is the base year for the 1998-99 award year.

Batch A group of electronic records.

Bill At the federal level, proposed legislative measures before Congress are in the form of bills. They are designated as HR (House of Representatives) or S (Senate), according to the house in which they originate, and by a number assigned in the order in which they were introduced, starting from the beginning of each two-year congressional term. A bill becomes public law if it is approved by the Congress and signed by the President.

Billing Service A private-sector business organization that services loan accounts (billing and/or receiving) for lenders and schools. A fee is charged for the service.

Board (as in "room and board") The cost of a food allowance or meal plan. See also *Room*.

Branch Campus A location of a school that is geographically apart and independent of the school's main campus. To be independent, a location must be permanent in nature; offer courses in educational programs that lead to a degree, certificate, or other recognized educational credential; have its own faculty and administration; and have its own budget and hiring authority. Additionally, for accrediting purposes, the definition includes a location that offers at least 50 percent of an educational program. A branch campus must be individually certified to be eligible to participate in Title IV programs.

Budget Committees At the federal level, the House and Senate committees that prepare the budget resolutions determining the levels of funding for all federal programs.

Each committee holds hearings and reviews projections from Executive Departments, the Office of Management and Budget, and the Congressional Budget Office. See also *Budget Resolution*.

Budget Resolution (as in first and second budget resolution) At the federal level, the congressional measure that determines the total federal budget. The first budget resolution, generally passed in April or May, sets ceilings or spending targets for all federal programs. Its figures are not binding. The second budget resolution, generally passed in August or September, sets the limits of federal budget expenditures for the upcoming fiscal year, which starts on October 1. See also *Budget Committees*.

Business Assets Property used to operate a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights. These are considered in determining a student's Expected Family Contribution (EFC). See also *Expected Family Contribution (EFC)*.

Business Office The school office responsible for an institution's financial accounting, including Title IV aid program activity. The office disburses financial aid award payments to students and student accounts and processes loan checks. At various schools, it is sometimes referred to as the fiscal office, finance office, bursar's office, treasurer's office, or student accounts office. See also *Separation of Functions*.

Robert C. Byrd Honors Scholarship A Title IV financial aid program that makes scholarships available to full-time postsecondary students with exceptional ability and promise. Students apply for the merit-based scholarships through their state education agencies.

-C-

Campus-Based Programs The term applied to three federal Title IV student aid programs administered on campus by eligible institutions of postsecondary education:

- the Federal Supplemental Educational Opportunity Grant (FSEOG) Program,
- Federal Work-Study (FWS) Program, *and*
- the Federal Perkins Loan Program.

See also individual program names.

Cancellation (of a loan) This occurs when a borrower meets specific requirements that permit nullifying the borrower's obligation to repay a designated portion of principal and interest on a student loan. It may also be referred to as "discharge of a loan."

Capitalizing Interest A process in which a lender adds unpaid interest to the loan principal. Capitalizing is a way to postpone interest payment; it increases the amount of the principal and, consequently, the total loan amount that must be repaid.

Carry Back/Carry Forward A special provision of the Federal Work-Study (FWS) Program and the Federal Supplemental Educational Opportunity Grant (FSEOG) Program that allows an institution to transfer up to 10 percent of its annual allocation back to the previous award year or forward to the next award year. In addition, a school may use carry-back funds from the current award year to pay student wages earned from May 15 through June 30 of the previous award year. See also program names.

Cash Advance A transfer of funds from a federal agency account in the U.S. Treasury through the Federal Reserve Bank to a school.

Central Processing System (CPS) See *Federal Central Processing System (CPS)*.

Certificate of Citizenship A document for U.S. citizens born outside the U.S. that certifies they are U.S. citizens.

Certificate of Naturalization A U.S. Immigration and Naturalization Service (INS) document given to individuals who were not born in the U.S. when they become naturalized U.S. citizens.

Clock Hour The period of time consisting of: a 50-minute to 60-minute class, lecture, or recitation in a 60-minute period; or a 50-minute to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; *or* 60 minutes of preparation in a program of study by correspondence. Compare *Credit Hour*.

Clock-Hour Schools Institutions that measure academic programs in clock hours. See also *Academic Year (AY)* and *Clock Hour*. Compare *Credit Hour* and *Credit-Hour Schools*.

Code of Federal Regulations (CFR) The compilation of published federal requirements that appear in the *Federal Register*. Regulations implementing Title IV financial aid programs appear in Title 34 CFR.

Cohort Default Rate For the Federal Perkins Loan, Federal Stafford Loan Program, and Federal Direct Loan Program, the percentage of an institution's current and former students who entered student-loan repayment in a specific fiscal year on loans received for attendance at that institution and who defaulted before the end of the following fiscal year. For any fiscal year in which fewer than 30 students entered repayment, the percentage is determined on the basis of students who entered repayment as just described in any of the three most recent fiscal years and who defaulted before the end of the fiscal year immediately following the year they entered repayment. See also *Default*.

Collection Agency A private-sector business organization that attempts to collect on delinquent or defaulted student loans referred to it by a lender or school. A fee is charged for the service.

Collection Costs Reasonable costs incurred by using a collection agency or commercial skip-trace agency in an attempt to recover delinquent or defaulted student loan funds. See also *Collection Agency* and *Skip Tracing*.

Co-Maker Either of two individuals who are joint borrowers on a loan and who are equally liable for its repayment. Compare *Endorser*.

Comment Period A time period, usually of 45 days or 60 days from the date a Notice of Proposed Rulemaking (NPRM) is published in the *Federal Register*, during which interested parties are invited to submit comments.

Comments and Responses A section of a final regulations package published in the *Federal Register* that summarizes comments received from the public about an earlier proposed version of the regulations. In U.S. Department of Education regulations, the Secretary's responses to these comments are also included in this section. (The section often is part of the preamble that introduces the final version of the regulations; it also gives the date the rules become effective and a summary of the regulations' major provisions.) See also *Comment Period*.

Compliance Audit See *Audit* and *Independent Audit*.

Conference Committee On the federal level, a congressional committee made up of members of the House of Representatives and the Senate who meet to reconcile differences between the two houses' versions of a bill. Conference committee members are appointed by the Speaker of the House and the President of the Senate (the Vice President of the United States). See also *Bill*.

Confirmation Report See *Student Status Confirmation Report (SSCR)*.

Conflicting Information Information, held by any office at a school, that conflicts with the information on a student's application for federal student aid. See also *Verification* and *Verification Items*.

Consolidation Loan A loan that combines multiple federal student loans into a single loan with one monthly payment. Title IV loan programs, the Health Professions Student Loan (HPSL) Program, the Health Education Assistance Loan (HEAL) Program, and the Nursing Student Loan Program (NSLP) may be consolidated. Compare *Federal Direct Consolidation Loan*.

Continuing Resolution At the federal level, congressional joint agreement between the House and Senate to continue appropriations for specific government agencies (at rates generally determined on the basis of previous fiscal-year appropriation levels) when Congress has not yet enacted an appropriation act for those agencies for the current fiscal year. A continuing resolution must pass both houses of Congress and be signed by the President. See also *Appropriation*.

Contribution from Earnings A percentage of a dependent student's base-year earnings that the student is expected to contribute to education costs. See also *Base Year*.

Corrective Action Plan (CAP) A written plan that an institution submits to ED to explain what reasonable and appropriate steps it will take to remedy any violation(s) of applicable laws or regulations.

Correspondence Course or Program A "home study" course provided by an institution to students who are partly or not at all physically attending classes. See also *Telecommunications Course*.

Cost of Attendance (COA) Tuition and fees, room and board expenses while attending school, allowances for books and supplies, transportation, loan fees (if applicable), dependent-care costs, costs related to a disability, study-abroad costs, and other miscellaneous expenses, as outlined in Section 472 of the HEA. See also *Source Document*.

Credit Hour The unit of measuring educational credit based on the number of classroom hours per week throughout a semester, trimester, or quarter term. Compare *Clock Hour*.

Credit-Hour Schools Schools with academic programs that measure progress by completed courses assigned specific numbers of credit hours. See also *Academic Year* and *Credit Hour*. Compare *Clock Hour* and *Clock-Hour Schools*.

-D-

Debt-Management Counseling Counseling for students on the subject of assuming debt and handling accumulated indebtedness.

Data Release Number (DRN) Appears on the student's SAR and SAR Information Acknowledgment; used by the student to make changes over the phone to certain SAR elements; used by schools to draw down ISIR.

Default For Perkins Loan: Failure of a borrower to make a loan-installment payment when due or to meet other terms of the signed promissory note or written repayment agreement.

For FFEL Program Loans: Failure to make a loan-installment payment (a) for 180 days on a loan repayable in monthly installments or (b) for 240 days on a loan repayable in less frequent installments.

For Direct Loans: Failure to make a loan-installment payment for 270 days on a loan repayable in monthly installments.

There can be serious legal consequences for student-loan defaulters. See also *Cohort Default Rate*.

Deferment (of a loan) A period of postponement during which repaying loan principal is suspended as a result of the borrower meeting one or more of a number of deferment requirements established by law. Interest continues to accumulate during deferment of an unsubsidized loan. Compare *Forbearance (on a loan)*.

Delinquent Borrower A student loan borrower who fails to make a loan-installment payment by or on its due date.

Delivery In the Federal Family Education Loan Program, the process of a school transmitting loan proceeds to a borrower. See also *Disbursement*.

Deobligation Action by ED reducing all or part of an institution's allocation for a Title IV program. Deobligation usually results from an institution releasing funds back to the federal government that will not be used during the period for which the funds were allocated. See also *Allocation* and *Supplemental Allocation*.

Departmental Scholarship An award of gift assistance specifically designated for a recipient in a particular department within the school, college, or university. It may be a need-based award, but it does not have to be.

Dependents Generally, spouse, children, and/or other household members for whom the parent (or aid applicant) provides more than one-half of the financial support.

Dependent Student For the purposes of federal Title IV financial aid, a student who does not meet any of the criteria for an independent student must be classified as a dependent student. Compare *Independent Student*.

Direct Loan Origination Center ED's agent responsible for functions associated with processing applications for and disbursing Direct Loan Program funds. See also *Direct Loan Servicing Center*.

Direct Loan Program A federal program where the U.S. government provides four types of education loans to student and parent borrowers directly through schools:

- the Federal Direct Stafford Loan (subsidized),
- the Federal Direct Unsubsidized Stafford Loan,
- the Federal Direct PLUS Loan (for parents), *and*

- the Federal Direct Consolidation Loan.

These loans are referred to collectively as "Direct Loans." See individual loan names.

Direct Loan Servicing Center ED's agents responsible for functions associated with repaying Direct Loans. See also *Direct Loan Origination Center.*

Disbursement Paying financial aid funds through cash, check, or credit to a student's account. See also *Delivery.*

Disbursement Record Schools create and send disbursement records to ED's Recipient and Financial Management System (RFMS); each time they plan to disburse Pell funds to a student. See also *RFMS, Origination Record.*

Discharge See *Cancellation (of a loan).*

Discharge Due To Bankruptcy Release from a student-loan obligation by action of a bankruptcy court.

Disclosure Statement A statement sent to the borrower by the lender before or at the time it disburses a loan, as well as at, or prior to, the beginning of the repayment period, containing information about the terms of their loans and the consequences of default.

Discretionary Items Applicant data items (such as untaxed income benefits, total income, or assets) used to determine a student's eligibility for federal financial aid that regulations do not require be verified. See also *Verification.*

Distribution Formula A formula that federal regulations specify be used to calculate the amounts of refunds or overpayments (repayments) that must be returned to individual federal student financial aid programs. See also *Refund Policy* and *Repayment Allocation Policy.*

Documentation Documents or signed statements presented as evidence in support of an action affecting a student's eligibility for financial aid. See also *Acceptable Documentation.*

Drop-Out Date A student's last recorded class-attendance date that can be documented by the school; this is not necessarily the same as the withdrawal date. If a student unofficially withdraws, the drop-out date determined by class attendance must be used in calculating refund and repayment amounts. Compare *Withdrawal Date.*

Due Diligence Full and timely disclosure to student borrowers of their rights and obligations, explained during entrance and exit interviews. Also the use of extensive, persistent, and forceful procedures for servicing and collecting student loans.

-E-

ED Central Automated Processing System (EDCAPS) An upgraded financial management system under development to replace ED's current system. See also *GAPS*

EDExpress EDExpress is an ED-provided software package that schools use to administer the Title IV financial aid programs.

EDconnect Software that serves as the vehicle in which information travels to and from a school over the Title IV Wide Area Network (TIV WAN); the latest version is called Edconn32. See also *Title IV Wide Area Network.*

Edit Checks A series of data tests on financial aid applications run by the Central Processing System (CPS) to report incomplete or inconsistent data on applications. Edit checks are also part of processing an institution's Electronic FISAP (Fiscal Operations Report and Application to Participate) and are part of the William D. Ford Federal Direct Loan Program. See also *Federal Central Processing System (CPS)* and *Verification.*

Education Benefits Funds, primarily federal, awarded to certain students—veterans, children of deceased veterans or other deceased wage earners, and students with physical handicaps—to help finance their postsecondary education. The benefits are awarded without regard to financial need.

Education Savings and Asset Protection Allowance An allowance to protect a portion of family assets when considering assets as part of the Expected Family Contribution (EFC).

Educational Program A postsecondary course of study that generally leads to an academic or professional degree, vocational certificate, or other recognized education credential.

Electronic Access Code (EAC) In order to use Renewal FAFSA on the Web, students must order an EAC. They will be mailed the EAC after ordering it at the web site. The EAC replaces the signature of an independent student.

Electronic Data Exchange (EDE) An ED system that enables institutions to transmit, receive, and correct application data, package student awards, and transmit Federal Pell Grant and William D. Ford Direct Loan payment information via a telecommunications network.

Electronic FISAP (Fiscal Operations Report and Application to Participate) The computer application to continue participating in campus-based programs. See also *FISAP (Fiscal Operations Report and Application to Participate)*.

Electronic Funds Transfer (EFT) See *Automated Clearinghouse (ACH)*.

Eligible Institution A public or private nonprofit institution of higher education, a postsecondary vocational school, or a proprietary institution of higher education that meets all the criteria to continue participating in Title IV student financial aid programs and has been approved by the U.S. Secretary of Education to do so.

Eligible Noncitizen A student aid applicant who is not a U.S. citizen, but is eligible to receive Title IV assistance. Conditions that allow noncitizens to be considered for Title IV funds are listed in *The Federal Student Financial Aid Handbook*, Chapter 2.

Eligible Program An educational program that meets the regulatory requirements for participating in Title IV programs and has been approved by the U.S. Secretary of Education to do so.

Eligible Student The definition of a student eligible to receive federal financial aid from ED is discussed in detail in *Student Financial Aid Handbook: Student Eligibility* and in Subpart C of Section 668 of the Student Assistance General Provisions regulations.

Emergency Action Action taken by ED against an eligible postsecondary institution. This action includes withholding funds from the institution or its students and withdrawing the authority of the institution to obligate federal funds under any or all of the Title IV student aid programs.

Emergency action is taken when ED:

- receives information that the institution is violating applicable laws, regulations, special arrangements, agreements, or limitations;
- determines that the likelihood of loss to the federal government outweighs putting in place limitation, suspension, or termination procedures; and
- determines that immediate action is necessary to prevent misuse of federal funds.

See also *Limitation, Suspension, or Termination (LS&T)* and *Program Participation Agreement (PPA)*.

Employment Expense An allowance in determining the Expected Family Contribution (EFC) for additional expenses relating to employment when both parents are employed or when one parent who qualifies as a surviving spouse or as head of a household under Section 2 of the Internal Revenue Code is employed. See also *Expected Family Contribution (EFC)*.

Endorser An individual who signs a promissory note agreeing to repay a loan if the borrower does not repay it. Compare *Co-Maker*.

Enrolled Completing registration requirements (except payment) at the institution the student is attending and beginning the attendance period *or* submitting one lesson in a correspondence course.

Enrollment Period For the William D. Ford Federal Direct Loan and Federal Family Education Loan (FFEL) Programs, the period of time for which a borrower's loan is intended and during which a student is enrolled.

For a school that uses academic terms (semester, trimester, or quarter) an enrollment period must coincide with one or more terms or with an academic year. For a school that does not use academic terms, an enrollment period must coincide with the length of a student's program of study or an academic year. Compare *Payment Period.*

Enrollment Status At institutions using semesters, trimesters, quarters, or other academic terms and measuring progress in credit hours, enrollment status equals a student's credit-hour course load. At these schools, a full-time undergraduate student enrolls in at least 12 semester hours or 12 quarter hours each term.

At institutions measuring progress in clock hours, enrollment status equals a student's clock-hour course load. At these schools, a full-time student receives at least 24 hours of instruction in one week.

At either type of school, student enrollment may be categorized as full-time, three-quarter-time, half-time, or less-than-half-time.

Entrance Counseling (for student borrowers) Required counseling prior to the first disbursement of SFA program funds that covers the borrower's rights and responsibilities, the terms and conditions of the loan, the average indebtedness of the school's borrowers, and the consequences of default. Compare *Exit Counseling (for student borrowers).*

Entrance Interview (for an audit) A meeting, prior to the beginning of a financial aid audit, between an auditor and school administrative officials concerning operating rules, an agenda, and a schedule for the on-site work. See also *Audit.* Compare *Exit Interview (for an audit).*

Estimated Financial Assistance (EFA) The estimated amount of assistance that an institution is aware a student will be awarded or has been awarded in federal, state, or privately supported scholarship, grant, work, or loan programs, including veterans' education benefits and Social Security benefits.

Exit Counseling (for student borrowers) An interview that must take place before the borrower leaves school (Perkins) or ceases at least half-time enrollment (FFEL and Direct Loan) covering the borrower's rights and responsibilities, details about handling loan repayment, and the average indebtedness of the school's borrowers. Borrowers are also required to provide updated personal information, such as address, telephone number, expected employer, and driver's license number (and state where it was issued). See the Handbook for complete information on exit interview requirements. Compare *Entrance Counseling (for student borrowers).*

Exit Interview (for an audit) A closing meeting, following completion of a financial aid audit, between an auditor and administrative officials during which general audit findings and conclusions are discussed. See also *Audit.* Compare *Entrance Interview (for an audit).*

Expected Disbursement The sum of all expected Federal Pell Grant payments to a student during an award year.

Expected Family Contribution (EFC) The figure that indicates how much of a family's financial resources should be available to help pay a student's postsecondary education expenses. This figure, determined according to a statutorily defined method known as the Federal Need Analysis Methodology, is used for all students in determining eligibility for federal Title IV student financial aid. Some students will have both primary and secondary EFCs, with the financial aid administrator choosing between the two. See also *Automatic Zero EFC (Expected Family Contribution)* and *Simplified Needs Test Formula.*

-F-

FAFSA (Free Application for Federal Student Aid) See *Free Application for Federal Student Aid (FAFSA).*

FAFSA Express ED software that permits a student using a computer with a modem to enter FAFSA data and transmit it directly to the CPS.

FAFSA on the Web An on-line version of the FAFSA students can access and complete. It is located at www.fafsa.ed.gov. Now available is Renewal FAFSA on the Web as well. See also *FAFSA.*

FAFSA Processor An organization contracted by ED to process the Free Application for Federal Student Aid (FAFSA).

Federal Audit A financial audit conducted by an office or officer of a federal agency, such as a representative from ED's Office of Inspector General.

Federal Capital Contribution (FCC) The portion of a Federal Perkins Loan fund allocated to an institution by the federal government for a specific award year. Compare *Institutional Capital Contribution (ICC).*

Federal Central Processing System (CPS) ED's Central Processing System (CPS) analyzes information from Free Applications for Federal Student Aid (FAFSAs) and calculates the Expected Family Contributions (EFCs). See also *Edit Checks, Federal Output Document,* and *National Student Loan Data System (NSLDS).*

Federal Direct Consolidation Loan A loan arranged through ED's Direct Loan Servicing Center that combines several federal education loans (including non-Direct loans) into a single loan with one monthly repayment. Compare *Consolidation Loan.*

Federal Direct Loan Program See *Direct Loan Program.*

Federal Direct PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Compare *Federal PLUS Loan.*

Federal Direct Stafford Loan (subsidized) On the basis of student financial need, this loan program provides federally financed loans to students who are in undergraduate, graduate, or professional programs. See also *Federal Direct Unsubsidized Stafford Loan.* Compare *Federal Stafford Loan (subsidized).*

Federal Direct Unsubsidized Stafford Loan This loan program provides federally financed, low-interest loans to students who are in undergraduate, graduate, or professional programs. These loans are not based on financial need and are not government subsidized. The borrower pays the interest charges on the loan on a monthly basis or may allow the interest to accumulate and be capitalized by the lender (no more frequently than quarterly) and added to the loan principal when repayment begins. See also *Capitalizing Interest* and *Federal Direct Stafford Loan (subsidized).* Compare *Federal Stafford Unsubsidized Loan.*

Federal Family Education Loan (FFEL) Program The FFEL Program is made up of Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS (parent) Loans, and Federal Consolidation Loans. All of these are long-term loans insured by state or private nonprofit guaranty agencies that are reimbursed by the federal government for all or part of the insurance claims paid to lenders. This government guarantee replaces the collateral or security usually required with long-term consumer loans.

Federal Need Analysis Methodology The statutory formula used to determine the Expected Family Contributions (EFCs) for all students applying for federal Title IV student financial aid. Information on it is found in HEA, Part F. See also *Full Data Element Formula* and *Simplified Needs Test Formula.*

Federal Output Document The Student Aid Report (SAR), SAR Information Acknowledge-ment, and Institutional Student Information Record (ISIR) generated by the Central Processing System (CPS) as a result of processing applicant data on the Free Application for Federal Financial Aid (FAFSA) or Renewal FAFSA.

Federal Pell Grant Payment and Disbursement Schedules Charts published annually by the U.S. Secretary of Education that determine the dollar value of student Federal Pell Grant awards on the basis of students' Expected Family Contributions (EFCs) and schools' costs of attendance (COAs).

Federal Pell Grant Program A grant program for undergraduate students who have not completed a first baccalaureate degree. It is designed to assist students with financial need who are the least able to contribute toward their education expenses. If students apply, meet all the eligibility criteria, and are enrolled in an eligible program at an eligible institution, they will receive Federal Pell Grants.

Federal Perkins Loan Program This campus-based loan program provides low-interest student loans to undergraduate and graduate students with financial need. See also *Campus-Based Programs.*

Federal PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Loans are made by lenders such as banks, credit unions, or savings and loan associations. Compare *Federal Direct PLUS Loan*.

Federal Register The government publication, published each weekday (except federal holidays), that prints regulations, regulatory amendments, notices, and proposed regulatory changes for all federal executive agencies. ED sends reprints of excerpts from the *Federal Register* that pertain to federal student financial aid to all institutions participating in federal student financial aid programs.

Federal Stafford Loan (subsidized) A loan program providing federally subsidized, low-interest loans to students in undergraduate, graduate, or professional programs. Subsidized loans are awarded on the basis of student financial need. See also *Federal Stafford Unsubsidized Loan*. Compare *Federal Direct Stafford Loan (subsidized)*.

Federal Stafford Unsubsidized Loan The unsubsidized Federal Stafford Loan Program provides loans to students who do not meet the financial-need criteria for a subsidized Federal Stafford Loan. An unsubsidized Federal Stafford Loan may be substituted for all or part of the Expected Family Contribution (EFC) and is referred to as a "non-need-based" loan. These loans may be borrowed by undergraduate, graduate, and professional students. See also *Federal Stafford Loan (subsidized)*. Compare *Federal Direct Unsubsidized Stafford Loan*.

The Student Financial Aid Handbook An ED publication, now released in sections, that explains procedures schools should follow in administering federal student financial aid (SFA) programs. Some of these procedures are required by laws and regulations, while other procedures are required by the various reporting systems of each Title IV program. The most current edition is *The 1999-00 Student Financial Aid Handbook*.

Federal Student Financial Aid Programs See *Title IV Student Financial Aid*.

Federal Supplemental Educational Opportunity Grant (FSEOG) A campus-based aid program that provides grant assistance to students with financial need who are in undergraduate programs and have not earned a bachelor degree or first professional degree. Priority in awarding Federal Supplemental Educational Opportunity Grant (FSEOG) funds is given to students who have exceptional financial need and are Federal Pell Grant recipients. See also *Campus-Based Programs* and *Carry Back/Carry Forward*.

Federal Work-Study (FWS) Program A campus-based federally funded employment program that provides paid jobs for undergraduate or graduate students who need such earnings to meet a portion of their education expenses. See also *Campus-Based Programs* and *Carry Back/Carry Forward*.

FEDWIRE The U.S. Treasury Department's Financial Communications System (TFCS) Deposit Message Retrieval System (DMRS) uses FEDWIRE for returning funds to ED, including:

- a liability or combination of liabilities totaling $100,000 or more for a prior award year (except for some Federal Perkins Loan liabilities);
- excess cash in, or liquidation of, the Federal Perkins Loan Fund; *and*
- ED-proposed or assessed fines of $100,000 or more.

Fees (institutional) To be an element of a school's cost of attendance (COA), fees must be mandatory, institution-based charges required as part of a student's program of study and charged to all students in that educational program. See also *Cost of Attendance (COA)*.

Final Regulations Federal government operating rules published in the *Federal Register*. Final regulations, which have the force of law, usually take effect 45 days after the date they are published. (However, there are exceptions to the 45-day period because of the master calendar of the Higher Education Act [HEA]). See also *Comment Period*, *Interim Final Regulations*, *Notice of Proposed Rulemaking (NPRM)*, and *Master Calendar*.

Financial Aid Award An offer of financial aid or in-kind assistance to a student attending a postsecondary educational institution. This award may be in the form of one or more of the following types of financial aid: a repayable loan, a grant and/or scholarship, or student employment. Examples of in-kind assistance are tuition waivers or fee waivers.

Financial Aid History Data on the Student Aid Report (SAR) or Institutional Student Information Record (ISIR) generated by the National Student Loan Data System (NSLDS) that shows a student's previous financial aid, defaults, and overpayments. Compare *Financial Aid Transcript (FAT).*

Financial Aid Package An assistance offer by an educational institution to a student aid applicant that consists of one or more forms of financial aid, such as loans, grants, scholarships and/or employment.

Financial Aid Transcript (FAT) A document used by educational institutions to collect data about Title IV aid and other financial aid received by a student at other educational institutions. Institutions must provide financial aid transcripts (FATs) at no charge to students and former students. Compare *Financial Aid History.* See *National Student Loan Data System (NSLDS).*

Financial Audit See *Audit* and *Independent Audit.*

Financial Need The difference between the institution's cost of attendance (COA) and what the student's family is able to pay—the Expected Family Contribution (EFC). (COA - EFC = Need) See also *Cost of Attendance (COA)* and *Expected Family Contribution (EFC).*

Financial Responsibility An institution must show that it has the financial responsibility to participate in federal Title IV student aid programs. Financial responsibility covers general standards (as well as exceptions institutions can meet as alternatives). These standards cover ones for for-profit, nonprofit and public institutions and cover the past performance of an institution or persons affiliated with an institution. For further information, refer to 34 CFR, Section 668.15, of the Student Assistance General Provisions and Chapter Two of *The Blue Book.*

Financial Statement A report prepared at the end of a school's fiscal year that provides an overview of the institution's financial activities for that fiscal year. Financial statements are audited by a Certified Public Accountant (CPA) and submitted to the U.S. Department of Education in accordance with applicable regulations. See also *Audit* and *Independent Audit.*

First-Time Student A student who has not previously attended at least one class at the institution or who received a 100 percent refund of his or her tuition and fees (less any permitted administrative fee) under the institution's refund policy for previous attendance at the institution. A student remains a first-time student until the student either withdraws, drops out, or is expelled from the institution after attending at least one class *or* completes the period of enrollment for which he or she has been charged.

FISAP (Fiscal Operations Report and Application to Participate) See *Electronic FISAP (Fiscal Operations Report and Application to Participate).*

Forbearance (on a loan) A lender's option of allowing a *temporary* cessation of payments of subsidized or unsubsidized Federal Stafford, Federal PLUS, or Federal Direct Loans *or* allowing an extended period for making payments *or* accepting smaller payments than were previously scheduled. Forbearance may be given for circumstances that are not covered by deferment. Interest continues to accumulate during forbearance. Compare *Deferment (of a loan).*

William D. Ford Federal Direct Loan Program See *Direct Loan Program.*

Form G-8455 A form a school submits to the U.S. Immigration and Naturalization Service (INS) for "Secondary Confirmation" to confirm that an alien noncitizen's documentation is valid for Title IV eligibility purposes. See *Eligible Noncitizen.*

Forward Funding At the federal level, the congressional funds appropriation in the fiscal year prior to the award year in which they will be disbursed. For example: the amount of public funds Congress allocates to Federal Pell Grant and campus-based funds in 1998 to be used in the 1999-2000 award year.

Free Application for Federal Student Aid (FAFSA) This ED input document is the foundation for all Title IV need analysis computations. The application form is completed by the student and his or her family. It gathers data to calculate the

Expected Family Contribution (EFC), which is used to determine eligibility for Federal Pell Grant, campus-based, Federal Stafford Loan, and Federal Direct Loan awards. See also *FAFSA Express, FAFSA on the Web, Renewal FAFSA, Expected Family Contribution (EFC),* and *Need Analysis.*

Full Data Element Formula A formula that uses the full range of data elements in calculating a student's Expected Family Contribution (EFC) under the Federal Need Analysis Methodology. Also called the "regular formula." See also *Expected Family Contribution (EFC).*

Full-Time Student A term defined by each institution of higher education. For Title IV student aid eligibility, however, a full-time undergraduate student cannot be taking fewer than 12 semester, trimester, or quarter hours per academic term in institutions with standard academic terms or fewer than 24 clock hours per week in institutions that measure progress in clock hours.

-G-

General Education Development (GED) Certificate A nationally recognized equivalent of a high school diploma granted after a student has passed a standardized examination.

General Institutional Eligibility Requirements Federal regulations governing institutional eligibility to apply to participate in Title IV programs.

General eligibility requirements are established by statutory definition and refer to:

- location,
- student admissions policy,
- authorization to provide a postsecondary educational program,
- accreditation,
- types, lengths, and levels of educational programs within the institution,
- the institution's type,
- the institution's control, and
- how long the institution has existed.

Gift Aid Financial aid that a student is not required to repay or earn through employment. Generally, gift aid is in the form of a grant or scholarship. Compare *Self-Help Aid.*

Grace Period The time period that begins the day after a loan recipient ceases to be enrolled at least half time and ends the day before the repayment period starts.

Graduate or Professional Student Student enrolled in a program that leads to a degree higher than a baccalaureate or to a first professional degree. A graduate or professional student must have completed at least three years of full-time study at an institution of higher education and may not be concurrently receiving Title IV aid as an undergraduate student.

Grant (programs) Gift-aid programs that require neither repayment nor work from students. Federal Title IV grant programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and Leveraging Educational Assistance Partnership (LEAP) Programs. See also *Gift Aid.*

Guaranty Agency A state agency, *or* a private, nonprofit institution, *or* an organization that administers federal student financial aid programs under the Federal Family Education Loan (FFEL) Program. One major function is to insure Federal Family Education Loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders on distributed loans.

Guaranty Fee See *Insurance Premium.*

-H-

Half-Time Student For the Federal Family Education Loan (FFEL) Program, a half-time student is one who is carrying a half-time academic workload (as determined by the school) that equals at least one-half the workload of a full-time student. For the remaining Title IV programs, a student is considered half time by carrying a half-time academic workload (as determined by the school), generally equaling or exceeding the following minimum requirements:

(a) 6 semester, trimester, or quarter hours per academic term for an institution using standard terms;

(b) 12 clock hours per week for schools using clock-hour measurement;

(c) 12 semester hours or 18 quarter hours per academic year for an institution using credit hours to measure progress but not using standard academic terms; *or*

(d) enrollment in an eligible correspondence program requiring at least 12 hours of preparation per week.

Hand Calculation On-campus calculation (manual or by computer program) of the Expected Family Contribution (EFC), in contrast to the official EFC calculation provided by the Central Processing System (CPS).

Higher Education Act of 1965, as amended (HEA) Legislation passed in 1965, as well as all subsequent amendments and reauthorizing legislation of the statute (most recently in 1998). Title IV of the HEA authorizes the majority of the nation's federal postsecondary student financial aid programs and mandates that they be regulated and administered by the U.S. Secretary of Education. The HEA is effective for approximately five years, requiring Congress to reauthorize it about every five years or to extend the legislation for up to one additional year. The statute's most current version, as amended, always stands as the official version of the law. See also *Reauthorization* and *Title IV Student Financial Aid*.

-I-

Immediate Need A school requests funds to meet its "immediate need" for disbursing Federal Pell Grant and campus-based program awards. For schools under Automatic Clearinghouse/Electronic Funds Transfer (ACH/EFT), "immediate need" is three business days. Under ACH/EFT, recipients request funds as needed, for example, every three days, once a week, or whatever is appropriate. See also *Automated Clearinghouse (ACH)*.

Incarcerated Student For purposes of institutional eligibility, a student serving a criminal sentence in a federal, state, or local correctional facility. For purposes of Pell Grant eligibility, a student serving a criminal sentence in a federal or state facility only. A student in a less formal arrangement, such as a halfway house, home detention, or sentenced to serve weekends only, is not considered to be incarcerated.

Income Protection Allowance An allowance for the basic costs of maintaining family members at home and in college that is taken into account when considering family income as part of the Expected Family Contribution (EFC).

Independent Audit An audit conducted by an independent public accountant (IPA), as defined by the audit standards of the U.S. General Accounting Office, who has been hired by the institution. Also called a "nonfederal audit." See also *Audit* and *Independent Public Accountant (IPA)*.

Independent Public Accountant (IPA) An accountant who is a Certified Public Accountant (CPA) or state auditor, *or* an accountant who was licensed before December 31, 1970 who meets the audit independence standards of the U.S. General Accounting Office. See also *Independent Audit*.

Independent Student To be classified as an independent student for federal Title IV financial aid, a student must meet one or more of the following criteria:

(a) be at least 24 years old by December 31 of the award year for which aid is sought;

(b) be an orphan or ward of the court until the age of 18;

(c) be a veteran of the Armed Forces of the United States;

(d) have legal dependents other than a spouse (for example, dependent children or an elderly dependent parent);

(e) be a graduate or professional student;

(f) be married; or

(g) be deemed independent by the school's financial aid administrator.

Compare *Dependent Student*.

Information for Financial Aid Professionals (IFAP) ED's web site containing publications, Dear Colleague letters, new information, and other features. The site is http://ifap.ed.gov.

Information Summary Part 1 of the Student Aid Report (SAR). This section informs students of their eligibility for a Federal Pell Grant and shows the student's Expected Family Contribution (EFC). The Information Summary can become a part of the student's financial aid file. See also *Student Aid Report (SAR)*.

In-House Control Documents Documents a school uses to meet recordkeeping requirements for federal financial aid programs, provide data needed for aid-related reports, and maintain a clear audit trail.

Institution of Higher Education A public or private nonprofit educational institution located in a state, that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory elementary/secondary school attendance in the state where the institution is located;

(b) is legally authorized, in the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides a program leading to an associate, baccalaureate, graduate, or professional degree, or at least a two-year program that is acceptable for full credit toward a bachelor's degree or at least a one-year training program that leads to a degree or certificate and prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; and

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public "postsecondary vocational school" approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state.

See also *Postsecondary Vocational Institution* and *Proprietary Institution of Higher Education*.

Institutional Capital Contribution (ICC) The portion of a school's Federal Perkins Loan fund contributed by the institution. Loans made with the Federal Capital Contribution (FCC) must consist of Institutional Capital Contribution (ICC) equal to at least one-third (33 1/3 percent) of the new Federal Capital Contribution amount *or* one quarter (25 percent) of the combined FCC *plus* ICC. Compare *Federal Capital Contribution (FCC)*.

Institutional Eligibility Notice A letter sent to an institution by ED's Institutional Participation and Oversight Service (IPOS) designating the institution as eligible to apply to participate in federal student financial aid programs. See also *Institutional Participation and Oversight Service (IPOS)* and *Program Participation Agreement (PPA)*.

Institutional Liability Financial penalties or repayments that an institution must pay to ED as a result of incorrect institutional action or actions.

Institutional Participation and Oversight Service (IPOS) The division in ED responsible for determining the eligibility of postsecondary institutions to participate in federal student financial aid programs and maintaining oversight of institutions participating in federal student financial aid programs. See also *Institutional Eligibility Notice*.

Institutional Student Information Record (ISIR) The Institutional Student Information Record (ISIR) is generated by ED's Central Processing System (CPS) and is available to schools through the Electronic Data Exchange (EDE) in the form of Full Data Tapes or Full Data Magnetic Disks. The ISIR includes full applicant data, information on reject reasons, comments, and assumptions. See *Student Aid Report (SAR)*.

Institution's Aid Disbursement/ Delivery Policy A policy specifying the earliest dates in each payment period that a school will credit aid to accounts and/or deliver aid as direct payments to students.

Institution's Aid Priority Policy A recommended written school policy clearly specifying the order in which financial aid awards will be applied to cover students' institutional charges.

Institution's Refund Policy Each school must have a refund policy that states the amount or percentage of charges to be cancelled for students who terminate their enrollment prior to the end of a payment period. Under the law, a school's policy must provide a refund of the [school's] unearned tuition, fees, room and board, and other charges assessed a student who received Title IV assistance (including Federal PLUS and Federal Direct PLUS Loans received by parents on a student's behalf and excluding Federal Work-Study funds). Such refunds must be provided for students who do not complete the attendance period for which the Title IV aid was intended.

Institution's Repayment Policy A school's consistently applied policy on the amount of non-institutional, education-related expenses incurred by students for a payment period.

Insurance Premium An insurance fee charged a lender by a guaranty agency. The fee is usually passed along to the borrower. In most cases, a lender reduces the amount of the loan disbursement by the fee amount; however, a student is still responsible for repaying the entire amount of the loan. Also known as a guaranty fee. See also *Loan Fee* and *Origination Fee*.

Interest (subsidized) The interest (subsidy) payment covered by ED on a subsidized student loan on a borrower's behalf. ED covers the payments for certain specific periods, such as during the borrower's enrollment (at least half time), the grace period, or any deferment period. An interest subsidy *is paid* to lenders of subsidized Stafford Loans during qualifying periods; the borrower *is not charged* interest on subsidized Direct Loans during qualifying periods.

Interest Benefits The interest (benefit) payments made by ED to a Federal Stafford Loan lender on behalf of a student. These payments are made by ED at the student's Federal Stafford Loan interest rate, but only during certain periods: the student's enrollment (at least half time), the grace period, or any authorized deferment.

Interim Disbursement A single first disbursement of Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and/or Federal Perkins Loan funds to a student who has not completed application verification. The institution is responsible for recovering payment if the student never completes verification or if the amount for which the student is deemed eligible lessens as a result of verification. Interim disbursements are made at the discretion of the institution; they are optional.

Interim Final Regulations Regulations, published in the *Federal Register*, that have the effect of law when published. Interim final regulations often are created when there is need for quick action responding to newly passed legislation. They may also be issued, pending further policy review, after a Notice of Proposed Rulemaking (NPRM) elicits comments that raise new policy questions. Compare *Final Regulations* and *Notice of Proposed Rulemaking (NPRM)*.

-J-

Job Location and Development (JLD) Program Under the Job Location and Development (JLD) Program, an institution can use up to 10 percent or $50,000 (whichever is less) of its annual Federal Work-Study (FWS) Program allocation to expand off-campus job opportunities, including community-service jobs (CS/JLD), for its currently enrolled students. Jobs may be in either profit or nonprofit settings. Students in this program do not have to meet FWS criteria, show financial need, or meet other Title IV student eligibility criteria. See also *Federal Work-Study (FWS) Program*.

-K-

No entries

-L-

Legislative Amendment A revision or change in a legislative measure that adds, deletes, or modifies a law's text.

Leveraging Educational Assistance Partnership (LEAP) Program A grant program involving both federal and state money; formerly the SSIG Program. See also *SLEAP*.

Limitation, Suspension, or Termination (LS&T) Actions undertaken by ED against a postsecondary institution that has either:

- violated the laws or regulations of Title IV student financial aid programs, its Program Participation Agreement, or any other agreement made under law or regulations; or
- substantially misrepresented the nature of its educational program, its financial charges, or the employability of its graduates.

These ED actions against the institution may include proceedings on limitation, suspension, or termination (LS&T) of the school's participation in federal student financial aid programs; the assessment of fines of up to $25,000 for each statutory or regulatory violation; and/or implementing emergency action.

- A limitation means the postsecondary institution agrees to abide by certain specific restrictions or conditions in its administration of student financial aid programs so that it can continue to participate in any of those programs. A limitation lasts for at least 12 months and, if a postsecondary institution fails to abide by the conditions of the limitation, termination proceedings may be initiated.
- A suspension removes an institution from participating in Title IV programs for a period not to exceed 60 days, unless a limitation proceeding has begun. Suspension actions are used when a postsecondary institution can be expected to correct a program violation in a short time.
- A termination ends a postsecondary institution's participation in Title IV programs.

A terminated institution can be reinstated at a later date by ED to participate in Title IV programs. In general, however at least two years (24 months) must elapse from the school's termination before an institution can request reinstatement. See also *Emergency Action* and *Program Participation Agreement (PPA)*.

Loan An advance of funds guaranteed by a signed promissory note in which the recipient of the funds promises to repay a specified amount under prescribed conditions.

Loan Disclosure Statement A statement sent to a borrower by the lender before or at the time it disburses a loan, and again before the start of the repayment period. The purpose of the disclosure is to provide the borrower with thorough and accurate information about the loan terms and the consequences of default. The statement includes information such as:

- amount of the loan,
- interest rate,
- fee charges,
- length of the grace period (if any),
- the maximum length of the repayment period,
- the minimum annual repayment amount,
- deferment conditions, and
- the definition of default.

Loan Fee A loan expense charged the borrower by the lender; it is deducted proportionately from each loan payment paid to the borrower. See also *Insurance Premium* and *Origination Fee*.

-M-

Master Calendar To assure adequate notification about and timely delivery of federal student financial aid, ED operates using a master calendar defined in the Higher Education Act (HEA). This calendar gives specific dates by which federal forms will be developed and distributed, as well as dates campus-based funds will be allocated and Federal Pell Grant funds will be authorized for an award year. The master calendar determines the dates that federal financial aid regulations must be published.

Master Promissory Note A note that allows a school to obtain a student's signature once for all disbursements for his/her entire enrollment at the school; used for Federal Direct Loans and Federal Family Education Loans (FFELs). See also *Promissory Note*

Matching (Fund) Requirement See *Nonfederal Share*.

Multiple Reporting Record (MPR) Automatically sent to schools by the Recipient and Financial Management System (RFMS) when a student attends two or more schools in the same award year and those schools submit Pell Grant disbursement records for that student; used to prevent overpayments to the student. See also *RFMS*, and *Disbursement Record*.

-N-

Nationally Recognized Accrediting Agency or Association An independent organization that monitors school practices and that certifies or approves schools to operate and offer certain programs of study. These organizations must be approved by the U.S. Secretary of Education for schools participating in federal student financial aid programs. See also *Accredited Institution*, *Accrediting Agency*, and *Preaccredited Institution*.

National Student Loan Data System (NSLDS) An ED database established to collect and maintain student loan information from guaranty agencies, lenders, institutions, and ED's program and Title IV default file. Information on all students who previously borrowed under Title IV programs is also maintained in the database. See also *Student Status Confirmation Report (SSCR)*.

Need The difference between a school's cost of attendance (COA, also called a student budget) and a student's Expected Family Contribution (EFC). (COA-EFC = student financial need.)

Need Analysis The statutorily defined method for determining Expected Family Contributions (EFCs) for all students applying for federal student financial aid. See also *Cost of Attendance (COA)*, *Expected Family Contribution (EFC)*, and *Federal Need Analysis Methodology*.

Need-Based Assistance Any form of financial aid awarded on the basis of demonstrated financial need. Need is established by subtracting a student's Expected Family Contribution (EFC) from the school's cost of attendance (COA). (COA - EFC = student financial need.)

Negotiated Rulemaking A process by which a government agency convenes meetings to discuss proposed regulatory matters with appropriate constituent groups. ED's Office of Postsecondary Education (OPE) convenes representatives of various groups involved in delivering and administering federal student financial aid programs. During the public meetings, held in various regions of the country, the contents of proposed regulations are discussed/negotiated prior to the U.S. Secretary of Education publishing notices of proposed rulemaking (NPRMs) and/or final regulations.

Nonfederal Audit See *Audit* and *Independent Audit*.

Nonfederal Share The portion of Title IV campus-based program funds that a school must contribute from a nonfederal source (usually the portion comes from the school itself). For 1997-98, a nonfederal source must contribute at least one-third (33 1/3 percent) of the federal contribution to the school's Federal Perkins Loan fund; one quarter (25 percent) of Federal Work-Study (FWS) awards; and one quarter (25 percent) of the Supplemental Educational Opportunity Grant (FSEOG) awards.

Notice of Proposed Rulemaking (NPRM) Notice printed in the *Federal Register* of proposed regulations from a government agency, such as ED. Publishing a notice of proposed rulemaking (NPRM) begins an official comment period (which is usually 45 days or 60 days long, but may range from 30 days to 120 days in length) during which interested parties are invited to submit comments about the proposed regulations. Compare *Final Regulations* and *Interim Regulations*.

-O-

Off-Campus Agency An external agency that employs a school's Federal Work-Study (FWS) student(s) and pays the nonfederal share of the wages. See also *Federal Work-Study (FWS)*.

Official Notice of Funding A computer-generated letter a school receives from ED that lists the final allocation amounts for each federal campus-based student financial aid program the school administers. The notice, which ED must send by April, notifies the school of the allocation amounts it will receive for the upcoming award year, which begins the following July 1.

One-Academic-Year Training Program A program consisting of at least 24 semester/trimester hours or 36 quarter hours at institutions using credit hours to measure progress; 900 clock hours of supervised training at an institution using clock hours to measure academic progress; or 900 clock hours in a program of study by correspondence. The program must include at least 30 weeks of instructional time.

Origination Fee A cost of borrowing a loan calculated as 3 percent of the loan principal borrowed under any Federal Family Education Loan (FFEL) Program loan and charged to the student by the lender. This fee is usually subtracted from the student loan amount before the student receives the loan money. See also *Insurance Premium* and *Loan Fee.*

Origination Record Schools must submit one to ED's Recipient and Financial Management System (RFMS) for each student who will receive Pell Grant funds in a given award year. See also *RFMS, Disbursement Record.*

Overaward The condition that exists when an institution awards financial assistance to a student that, in combination with all of the resources made available to that student from federal and nonfederal sources, exceeds the difference between the student's cost of attendance (COA) and the Expected Family Contribution (EFC).

Overpayment Any financial aid amount paid to a student in excess of the amount the student is entitled to receive. This situation may arise due to a student's change in enrollment status, withdrawal, or change in financial situation. In any of these instances, the student would be required to repay excess funds received unless adjustments could be made to the student's aid during subsequent payment periods within the same award year. See also *Repayment* and *Repayment Allocation Policy.*

-P-

Packaging The process of assembling one or more financial aid awards of loans, grants and/or scholarships, and employment for a student; also referred to as award packaging.

Parents' Contribution A quantitative estimate, according to the Federal Need Analysis Methodology, of parents' ability to contribute to postsecondary education expenses of their dependent child. See also *Expected Family Contribution (EFC).*

Payment and Disbursement Schedules See *Federal Pell Grant Payment and Disbursement Schedules.*

Payment Period The length of time for which all Title IV financial funds (except for Federal Work-Study) is paid to students. It is defined in 34 CFR, Section 668.4 of the Student Assistance General Provisions and depends on whether the school's academic program is (1) term-based, credit hour or (2) nonterm, credit/clock hour.

Policies and Procedures Manual A manual an institution develops that helps effectively and consistently manage financial aid using a compilation of written policies and procedures.

Postsecondary Institution An educational institution providing education beyond the high school level. The term is used to refer to trade and technical schools, as well as to two-year colleges, community colleges, and four-year colleges and universities.

Postsecondary Vocational Institution An educational institution that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public postsecondary vocational institution approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state; and

(f) has been giving instruction for at least two years.

See also *Institution of Higher Education* and *Proprietary Institution of Higher Education.*

Preaccredited Institution An interim status granted by a nationally recognized accrediting agency or association to an unaccredited public or private nonprofit institution that is expected to receive accreditation within a reasonable time period. See also *Accredited Institution, Accrediting Agency,* and *Nationally Recognized Accrediting Agency or Association.*

Principal and Interest Principal is the loan amount borrowed. Interest is the amount the lender charges the borrower for using the money. Loan payments are applied to interest first and principal second.

Prior Year Recoveries Funds a school recovers in a given award year from financial aid money disbursed in prior award years. Institutions must adjust award expenditures and administrative cost allowances (ACAs) in award years in which recoveries are made. See also *Administrative Cost Allowance (ACA).*

Program Authorization See *Authorization (legislative)* and *Authorization (spending).*

Program Determination Letter (PDL) An official letter sent to a school by ED as a final result of an audit or program review. The letter outlines any specific steps the school must take to reimburse ED for improperly spent funds, adjust both institutional and ED records and reports, and assure compliance with federal student financial aid program regulations.

Program Participation Agreement (PPA) A written agreement that must be signed by both a top official at an institution and on behalf of the U.S. Secretary of Education that permits the institution to participate in one or more federal student financial aid programs (other than the Leveraging and Educational Partnership [LEAP] Program). See also *Emergency Action; Limitation, Suspension, or Termination (LS&T);* and *Institutional Eligibility Notice.*

Program Review An assessment by ED of an institution's compliance with federal laws and regulations and its own school policies.

Program Review Exceptions Institutional policies, procedures, or actions related to federal student financial aid programs cited in a program review report as being contrary to federal laws or regulations that govern the programs. Also referred to as findings.

Promissory Note A legally binding contract between a lender and a borrower that contains the terms and conditions of the loan, including how the loan must be repaid. See also *Master Promissory Note.*

Proprietary Institution of Higher Education An educational institution other than a public or private nonprofit institution located in a state that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program of training, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is accredited by a nationally recognized accrediting agency or association;

(e) has been giving postsecondary instruction (and has been legally authorized to give postsecondary instruction) for at least two years; and

(f) has at least 15 percent of its revenues derived from non-Title-IV funds.

See also *Institution of Higher Education* and *Postsecondary Vocational Institution.*

-Q-

Quality Assurance Program An ED quality-control program with an oversight strategy that focuses on results. Within established parameters, Quality Assurance Program (QAP) participants develop their own procedures for achieving award accuracy, measure the effectiveness of their systems, and design and target corrective actions through continuous improvement efforts.

Quarter A standard academic term, usually 10 to 15 weeks in length. At institutions using quarters to measure student progress, an academic year is defined as the time period in which a full-time student is expected to complete the equivalent of three quarters. (For fiscal reporting, quarters in the federal student financial aid award year are July-September, October-December, January-March, and April-June.) See *Academic Year (AY)*.

-R-

Reauthorization The process of continuing and changing legislation because the existing law is expiring and needs to be reenacted. It is conducted every five to seven years in the case of the Higher Education Act (HEA). (1998 was the most recent HEA reauthorization See also *Higher Education Act of 1965, as amended (HEA)*.

Recipient Data Exchange (RDE) A computer-system procedure for transmitting Federal Pell Grant payment data between an institution and ED using machine-readable magnetic tape.

Recognized Occupation An occupation that is either listed in an "occupational division" in the latest edition of the *Dictionary of Occupational Titles* published by the U.S. Department of Labor or is recognized by the U.S. Secretary of Education in consultation with the U.S. Secretary of Labor.

Reconciliation of Cash A confirmation that the cash amount shown in a school's accounting records agrees with the cash amount reported in the school's bank statement.

Reconciliation of Federal Funds Balancing a school's records of federal funds received, expended, and returned against ED's records.

Refund This often refers to the portion of funds credited to a student's school account to cover institutional charges that a school returns to ED, a lender, or the student, if the student withdraws from, is expelled from, or drops out of school. If the student received any federal student financial aid (other than Federal Work-Study), by law, a part of the refund must go to those programs. "Refund" also can mean the return of interest or excess cash to ED from GAPS drawdowns or the return of audit and program review liabilities and fines. See also *Timely Processing of Refunds and Repayments*.

Refund Policy A "fair and equitable" policy that ensures a refund that is at least as much as the amount derived using:

(1) the requirements of applicable state law,

(2) the refund requirements established by the school's nationally recognized accrediting agency and approved by ED, *or*

(3) the statutory *pro rata* refund calculation defined by the Higher Education Amendments of 1992.

Regular Student A person enrolled or accepted for enrollment in an eligible program at an eligible postsecondary institution for the purpose of obtaining a degree or certificate offered by that institution.

Reimbursement Payment Method A method in which the institution makes payments to students in advance of receiving the funds from ED. See also *Automated Clearing House (ACH)*

Renewal FAFSA A pre-printed application form mailed to the student or his/her school by the CPS that must be updated for the student to be eligible for federal student financial aid. Also available on the web. See also *Free Application for Federal Student Aid (FAFSA)*.

Repayment Funds owed when the cash disbursement (excluding Federal Work-Study [FWS], Federal Direct Loans, and FFEL Program loans) to a student was greater than the amount of the student's living expenses before the student withdrew from school. See also *Distribution Formula*, *Overpayment*, and *Timely Processing of Refunds and Repayments*.

Repayment Allocation Policy A policy a school must develop that specifies the order in which federal student financial aid repayments will be returned to the federal financial aid programs from which they were received. Allocating repayments is statutorily prescribed by the Higher Education Act (HEA). While an institution may determine its own allocation priorities, under no circumstances may a repayment to a particular aid program exceed the amount the student received from that program. See also *Distribution Formula, Overpayment,* and *Repayment.*

Repayment Period The period during which a borrower (student or parent) is scheduled to repay a student loan.

Repayment Plan The *overall timetable* by which a borrower is to pay back a student loan, which may include a standard repayment plan, an extended repayment plan, a graduated repayment plan, or an income-contingent or income-sensitive repayment plan. See also *Repayment Schedule.*

Repayment Schedule The *specific timetable,* using the borrower's repayment plan as its basis, that details the amount of loan principal and interest due in each repayment installment and the number of payments that will be required to pay off the loan in full. Additionally, a repayment schedule traditionally lists the loan's interest rate, the due date of the first loan payment, and the frequency of loan payments. See also *Repayment Plan.*

Resident Student A student who lives on campus or in housing owned and/or maintained by the institution.

Room (as in "room and board") The cost of a student's on-campus housing or off-campus housing. See also *Board.*

-S-

Satisfactory Academic Progress (SAP) A measure of whether a student is progressing adequately toward completion of his or her course of study. It is determined in terms of grade point average and course completions.

Scheduled Award The Federal Pell Grant amount that would be paid to a full-time student for a full academic year.

Scheduled Cash Payment The total institutional cost for a student minus the total aid paid to institutional costs for the payment period.

Secondary EFC See *Expected Family Contribution (EFC).*

Secondary Markets Purchasers of student loan notes, such as the Student Loan Marketing Association (Sallie Mae) or other institutions. In this process, loan (promissory) notes are purchased for the face value of a multi-loan portfolio or at a negotiated price. Once sold, the secondary-market purchaser becomes the holder of the loan notes and has total responsibility for future loan servicing and assuring that the loans are repaid. In addition to Sallie Mae, there are approximately 30 secondary markets operating at state or regional levels; a number of commercial lenders also purchase loans.

Self-Evaluation A school's regularly scheduled in-house evaluation of the way it administers its student financial aid program.

Self-Help Aid Student financial aid loan programs or employment-opportunity programs awarded to students. Compare
Gift Aid.

Separation of Functions As part of administering federal student financial aid programs, a school is required to establish and maintain a check-and-balance internal-control system ensuring that no single school office can both authorize payments and disburse funds to students. Often this required separation is created by dividing the functions between the school's financial aid office and the school's business office.

Simplified Needs Test A part of the Federal Need Analysis Methodology, it ignores assets in calculating a student's Expected Family Contribution (EFC).

For the 2000-01 award year, a dependent student qualifies for the simplified EFC formula if all of the following are true:

- the student's parents filed or are eligible to file a 1999 IRS Form 1040A or 1040EZ (meaning they are not required to file a 1999 IRS Form 1040) or the parents are not required to file any income tax return; and

- the student filed or is eligible to file a 1999 IRS Form 1040A or 1040EZ (meaning he or she is not required to file a 1999 IRS Form 1040) or he or she is not required to file any income tax return; and
- the 1999 income of the student's parents from one of the two sources below is $50,000 or less (excluding any income of the dependent student)—
  - the parents' adjusted gross income from the 1999 IRS Form 1040A or 1040EZ, or
  - for parents who are not tax filers, the income shown on the 1999 W-2 forms of both parents (plus any other earnings from work not included on the W-2s).

For the 2000-01 award year, an independent student qualifies for the simplified EFC formula if both of the following are true:

- the student filed or is eligible to file a 1999 IRS Form 1040A or 1040EZ (meaning he or she is not required to file a 1998 IRS Form 1040), income tax return; and
- the student's (and spouse's) 1999 income from one of the two sources below is $50,000 or less—
  - the student's (and spouse's) adjusted gross income from the 1999 IRS Form 1040A or 1040EZ, or
  - for non-tax filers, the income shown on the student's (and spouse's) 1999 W-2 forms (plus any other earnings from work not included on the W-2s).

See also *Federal Need Analysis Methodology*. Compare *Full Data Element Formula*.

Site Visit A visit to a school during which an independent auditor, nationally recognized accrediting agency, state agency, or ED seeks to understand the school's physical plant, enrollment, student financial aid application process, and methods of monitoring student attendance. See also *Independent Audit* and *Nationally Recognized Accrediting Agency or Association*.

Six-Month Program An instructional program consisting of at least 16 semester or trimester hours or 24 quarter hours at an institution that uses credit hours to measure progress; 600 clock hours of supervised training at an institution that uses clock hours to measure progress;
600 clock hours in a correspondence program; or a program that the U.S. Secretary of Education determines to be a six-month program on the basis of the Secretary's agreement plus certification by the institution's nationally recognized accrediting agency or association that the program is equivalent in course content and student workload to a comparable six-month credit-hour or clock-hour program.

Skip Tracing The process of searching for a borrower's address and telephone number for the purpose of collecting an outstanding student loan. Any information found in the borrower's school file may be used.

Source Document When estimating a student budget to use in determining cost of attendance (COA) at a school, this is the original supporting data for an item's cost or estimated cost and/or back-up material detailing why a certain expense decision was made or a specific dollar value was selected. See also *Cost of Attendance (COA)*.

Special Allowance A percentage of the average unpaid principal balance paid by ED to the lender of a FFEL Program loan. In effect, ED pays extra interest on the loan to the lender in addition to the basic interest charged on subsidized loans. This amount makes up the difference between the rates charged to FFEL Program borrowers and market interest rates. The amount of the special allowance is set by a statutory formula using 91-day Treasury bill rates.

Special Leveraging Educational Assistance Partnership (SLEAP) Program Variation on the LEAP Program. See *LEAP*.

Stafford Loan A student loan under the Federal Direct Student Loan Program or the Federal Family Education Loan Program. See *Federal Direct Stafford Loan, (subsidized), Federal Direct Unsubsidized Stafford Loan, Federal Stafford Loan,* and *Federal Stafford Unsubsidized Loan*.

Statement of Educational Purpose A statement on the FAFSA that the student must sign in which he/ she agrees to use federal student financial aid solely for education expenses.

State Student Incentive Grant (SSIG) A need-based, gift-aid program jointly funded by the federal government and participating states. *See LEAP or SLEAP.*

Student Aid Internet Gateway (SAIG) Formerly known as TIV WAN. The system that connects a school's financial aid office with other ED Title IV systems. SAIG uses store-and-forward technology to allow schools to pass data to various ED contractors and allow contractors to pass data back to schools. Each school has a mailbox, or destination point, on the SAIG. Schools use Title IV telecommunications software, or their own software, to dial up their mailbox and send or receive Title IV data.

Student Aid Master Record An institutional record containing information for an in-school student for each award year. The institution records all basic information relating to all student aid programs, including institutional and other aid programs, on the master record.

Student Aid Report (SAR) The report sent directly to a student from ED's Central Processing System (CPS) that summarizes the information submitted on a student's Free Application for Federal Student Aid (FAFSA) and provides financial-need calculations (including the student's Expected Family Contribution [EFC]) on the basis of these submitted figures.

The SAR includes:

- the Student Information Summary;
- the Information Review Form (IRVF) *or* the Information Request Form (IRQF); and
- financial aid history.

See also *Institutional Student Information Record (ISIR)*, and *Student Aid Report (SAR) Information Acknowledgment.*

Student Aid Report (SAR) Information Acknowledgment A non-correctable Student Aid Report (SAR) sent to students who transmit the Free Application for Federal Student Aid (FAFSA) electronically through their school. See *EDExpress.*

Student Budget See *Cost of Attendance* and *Source Document.*

Student Contribution The dollar figure a student is expected to contribute toward postsecondary education costs from base-year income (taxed and untaxed) and assets. This amount is determined by analyzing the student's income and assets in tandem with provided allowances designed to ensure that the student actually can contribute the necessary expenses. See also *Assets, Base Year (for financial aid awards), Taxed Income,* and *Untaxed Income.*

Student Financial Aid Programs (SFA Programs) Another term for Title IV student financial aid programs.

Student Loan Reform Act of 1993 (SLRA) Federal legislation modifying the Higher Education Act (HEA); it was enacted on August 10, 1993. It created the Federal Direct Student Loan Program (since renamed the William D. Ford Federal Direct Loan Program) and eliminated the Federal Supplemental Loans for Students (SLS) Program. See also *Higher Education Act of 1965, as amended (HEA).*

Student Status Confirmation Report (SSCR) A National Student Loan Data System (NSLDS) report that is sent electronically to educational institutions at least twice a year. It lists all the Direct Loan and FFEL Program Loan borrowers at the institution who:

(a) have loans guaranteed by a guaranty agency and

(b) were last reported as enrolled at the school.

The institution is required to provide guaranty agencies with certain enrollment information about each of their borrowers. Lenders use the SSCRs as a monitoring device to help determine when student borrowers are required to begin repaying their student loans.

Supplemental Allocation An additional allocation of available funds for one or more campus-based programs that may be given to a school on the basis of the school's need for additional funds. Supplemental allocations are made after some schools release unexpended campus-based funds at the end of an award year. See *also Allocation, Appropriation,* and *Deobligation.*

Scheduled Award The Federal Pell Grant amount that would be paid to a full-time student for a full academic year.

-T-

Taxed Income Personal income (earnings) subject to federal tax. Compare *Untaxed Income.*

Telecommunications Course A course offered principally by television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave or satellite, audio conferencing, computer conferencing, or videocassettes or videodiscs. The term does not include a course that is delivered by videocassettes or disc recordings unless that same course is delivered to students physically attending classes at the institution during the same award year. See also *Correspondence Course or Program.*

Term-Based Schools Institutions that measure academic progress in either standard terms—quarters, trimesters, or semesters—or nonstandard terms (any terms that are not one of the three listed above).

Third-Party Servicer An individual, a state, or a private profit or nonprofit organization that contracts with an eligible postsecondary educational institution to administer any aspect of the institution's participation in a federal student financial aid program. Not included in this definition: publishing ability-to-benefit (ATB) tests; performing FAFSA processing; performing a financial compliance audit; mailing documents prepared by the institution; and warehousing institution records.

Timely Processing of Refunds and Repayments Schools must notify students and loan lenders in writing when financial aid is refunded or repaid to federal student financial aid programs. Schools must return refund or repayment portions to the Federal Pell Grant Program, the Direct Loan Program, and the campus-based programs within 30 days of a student's withdrawal date and, under the FFEL Program, return proceeds to the lender within 60 days of a student's withdrawal date. If an audit or program review reveals that a school is not meeting the deadlines for returning refunds and repayments to federal student financial aid accounts, the school incurs a financial liability. See also *Refund* and *Repayment.*

Title IV Student Financial Aid Federal financial aid programs for students attending postsecondary educational institutions that are authorized to award federal aid under Title IV of the Higher Education Act of 1965, as amended. The programs are administered by the U.S. Department of Education. Title IV programs consist of: the campus-based programs, the FFEL Program, the William D. Ford Direct Loan Program, the Federal Pell Grant Program, SSIG, and the Robert C. Byrd Honors Scholarship.

Title IV Wide Area Network (TIV WAN) Former name of a system that connects a school's financial aid office with other ED Title IV systems. See also *Student Aid Internet Gateway.*

Tolerance Levels (verification) A dollar-value level of errors in the income or asset information used to calculate the Expected Family Contribution. If the error level is at or below the maximum tolerance level for a given year, student applicant information does not need to be reprocessed. The *Verification Guide* provides important details on tolerance levels. See also *Verification.*

Transfer of Funds Moving a statutorily allowable percentage of financial aid allocations from Perkins Loan funds to Federal Work-Study (FWS) funds and from Perkins Loan funds and FWS funds to Federal Supplemental Educational Opportunity Grant (FSEOG) funds.

Two-Academic-Year Transfer Program A formal education program of two academic years that is acceptable for full credit toward a bachelor's degree.

-U-

Undergraduate A postsecondary-education student who does not have a first baccalaureate degree or a first professional degree.

Underutilization Disbursing a smaller amount of campus-based program financial aid funds to eligible students during an award year than the institution's allocated funding level allowed.

Unmet Need The remaining need from a student's cost of attendance (COA) at a specific school after subtracting the student's Expected Family Contribution (EFC) and Estimated Financial Assistance (EFA). (COA - EFC - EFA = student's unmet financial need.)

Untaxed Income Income (earnings) or resources that are not subject to federal tax and are not reported on a tax form. Examples of untaxed income are welfare benefits, child support, interest on tax-free bonds, some Social Security benefits, certain unemployment compensation, and military and other subsistence and quarters allowances. Compare *Taxed Income*.

Update Requirement Required notification to ED of a change in the information originally reported on a student's aid application. Updates are required for changes in household size, number of family members enrolled in postsecondary education, and dependency status. If the numbers in these items change, it might cause a significant change in the student's Expected Family Contribution (EFC).

U.S. Code (U.S.C.) The federal government's compilation of public laws.

-V-

Verification The technical and administrative procedures for detecting and resolving inaccuracies in the data a student (and family) supplied on the Free Application for Federal Student Aid (FAFSA). ED publishes guidelines each year in *SFA Handbook: Student Eligibility*. See also *Conflicting Information*, *Edit Checks*, and *Tolerance Levels (verification)*.

Verification Items Specific student (and family) applicant information that must be checked for accuracy during the federal student financial aid verification process. Verification may extend to other items on the Free Application for Federal Student Aid (FAFSA) at the discretion of the financial aid administrator. See also *Conflicting Information* and *Verification*.

Verification Worksheet The worksheet students and parents complete for the verification process.

-W-

William D. Ford Federal Direct Loan Program See *Direct Loan Program*.

Withdrawal Date The latest of the date a student notifies a school of his/her withdrawal, or the date specified by a student, or the last date of a student's recorded attendance. If a student is enrolled in a correspondence program, the withdrawal date is the date of the last lesson submitted by the student if the student failed to submit the subsequent lesson according to the school's schedule. Compare *Drop-Out Date*.

-X, Y, Z-

No entries

Resources

APPENDIX C

Resources - Appendix C

Introduction

Financial aid administrators must make sure that federal student aid programs are managed properly. This task can be made easier by:

- maintaining an up-to-date student aid reference library that includes the U.S. Department of Education's (ED's) major publications and useful non-ED publications;
- staying up to date on program information, policies, regulations, and the law, as well as being aware of changes and sharing information with all offices in the school that might be affected; and
- checking on any questionable or unclear information and asking questions before acting, which can save time and prevent liabilities.

ED Resource Materials

The following is a list of ED resource publications. They are available from the Federal Student Aid Information Center by calling **1-800-4-FED-AID (1-800-433-3243).**
(The TDD toll-free number is 1-800-730-8913.)

- *The Student Guide.* A general guide to Title IV programs, written for students and parents.
- *Funding Your Education.* Generally for the high school student audience, this publication focuses on how Title IV programs can help pay for the cost of education and provides tips on how to apply for these aid programs.
- *What's New? Direct Loans!* A general guide to Direct Loans, written for students and parents.
- *The Federal Student Financial Aid Handbook.* A financial aid administrator's reference guide to managing Title IV programs.
- *Compilation of Student Aid Regulations.* A compilation of all the current regulations governing Title IV programs.
- *The Blue Book—Accounting, Recordkeeping, and Reporting by Postsecondary Educational Institutions for Federally Funded Student Financial Aid Programs.* A guide to proper fiscal operations procedures related to administering Title IV programs. This publication is a "must have" for all fiscal officers, and it is exceedingly helpful for financial aid administrators.
- *The Audit Guide.* A guide to preparing for and completing required audits of federal student aid operations.

ED also publishes "Dear Colleague" letters and *Federal Registers* that pertain to Title IV aid. You can access these documents over the Internet at http://ifap.ed.gov. You should stay current in your reading of these documents.

A good student-aid reference library includes all the ED publications described here. Many are published annually. ED sends these publications to each participating Title IV school each time the publications are updated.

Extra copies can be ordered from the Federal Student Aid Information Center (see telephone number on previous page) at no charge. The quantities that can be sent usually are limited, but a school can make photocopies if necessary.

Electronic Services

Each part of the student aid delivery process can be done electronically, from filing a financial aid application to reporting a Federal Pell Grant payment.

- The electronic FISAP (Fiscal Operations Report and Application to Participate) is used to request and report expenditures in campus-based programs. It increases productivity and efficiency for financial aid administrators and ED by providing automatic calculation and edit features for users.
- The Recipient Data Exchange (RDE) allows schools to report large volumes of Pell recipient data using magnetic tapes or cartridges. The Floppy Disk Data Exchange allows schools with minimal automated data processing resources to report Pell disbursement data to ED.
- The services offered by ED through its Electronic Data Exchange (EDE) can significantly speed up the application, corrections, and reporting processes. EDE services are provided as a part of the Student Aid Internet Gateway (SAIG). EDE is the service that allows schools to electronically process Title IV financial aid data. EDExpress is a fully integrated software package developed and distributed by ED for managing those processes. There are currently four EDExpress modules: application processing, packaging, Direct Loans, and Pell payment. The EDExpress software is provided without charge to schools.
- ED's Default Reduction Assistance Program (DRAP) provides supplemental debt collection assistance to institutions participating in the Federal Perkins Loan program that are experiencing difficulty in collecting delinquent loans.
- SFAP information on the Office of Postsecondary Education (OPE) Home Page can also be accessed at the following Internet address: http://www.ed.gov/offices/OPE/
- The Information for Financial Aid Professionals (IFAP) web site contains financial aid resources. The address is: http://ifap.ed.gov.
- The Grant Administration and Payment System (GAPS) is now used to request funds from ED. Schools must have a DUNS number, a password, and a user ID, to access GAPS over the World Wide Web.
- The Recipient and Financial Management System (RFMS) is used to report Pell Grant disbursements. Schools submit use EDExpress or other software to create Origination and Disbursement Records for each Pell Grant recipient.
- The Bulk Publication Ordering System is used to order bulk copies of FAFSAs and other documents. From the IFAP web site, click along the left side of the screen on "Bulk Publication Ordering System." You'll need your OPE ID number.

Customer Service

- **Customer Support Branch**: Answers policy and operational questions from *financial aid administrators*. Customer Support also maintains the SFA Bulletin Board System. Customer Support staff can be reached Monday through Friday between 8 a.m. and 5 p.m. (Eastern time) at 1-800-433-7327 (toll free), or by fax at 1-202-260-4199, or at the following email address:

  csb@ed.gov

- **Federal Student Information Center**: student inquiries, requests for financial aid materials and student or financial aid administrator questions about aid application or processing, corrections to FAFSA processor errors that appear on the SAR. Call toll free at 1-800-4-FEDAID (1-800-433-3243), Monday through Friday between 9 a.m. and 8 p.m. (Eastern time). TDD 1-800-730-8913.

- Customer support "hot lines" are available for various ED systems and operations. Toll-free numbers and addresses follow, beginning below.

Customer Service: Numbers

Central Processing System/Direct Loan (CPS/DL) Customer Service:

1-800-330-5947

Email address: CPS@NCS.COM

Provides support for:

- EDExpress software—apps/DL/packaging/SSCR/RFMS
- Pell Payment for Windows software
- EDE technical reference
- Data submitted to CPS
- Institution/agency applicant tapes
- RAD/YTD requests

Free Application for Federal Student Aid (FAFSA) Express Customer Support

1-800-801-0576

Email address: CPS@NCS.COM

Provides support for:

- FAFSA Express diskette version
- FAFSA Express Web version:
  http://www.ed.gov/offices/OPE/express.html
  http://www.ed.gov/funding_html

Direct Loan (DL) Custom/Combination School Technical Support:

1-800-756-4220

Email address: DLTS@NCS.COM

Provides support for:

- Interpreting the Direct Loan Technical Reference
- Dealing with errors received while interfacing external system with EDExpress
- Developing import from external add/change files
- Providing on-site support to Direct Loan schools with custom/combo systems

Direct Loan Servicing Center:

Borrower Services: 1-800-848-0979

Provides support for:

- School relations
- Borrower services
- Payment center
- Collections

Loan Origination Center
1-800-557-7394

Student Aid Internet Gateway (SAIG) Customer Service:

1-800-615-1189

Email address: http://ifap.ed.gov

Provides support for:

- EDconnect, NET*CONNECT, and OPEnet software (both DOS and Windows)
- Transmission errors
- Network password changes and resets
- Enrollment and participation
- Billing and invoices
- Software and user manual distribution

See also Dear Colleague Letter GEN-99-34

National Student Loan Data Service (NSLDS) Customer Service:

1-800-999-8219

Provides support for:

- Small school template
- DataPrep software
- CBT (computer-based training) tutorial
- Default rate calculations
- Student Status Confirmation Reports (SSCRs)
- Data providers' monthly submission
- NSLDS online functions

Pell Grant User Support Hotline:

1-202-708-9141

Provides support for:

- Pell payment software DOS version
- Floppy Disk Data Exchange enrollment
- Pell Payment data batch inquiries

- Incidents of Title IV fraud or suspected fraud should be reported to the Inspector General's hotline at **1-800-MIS-USED (1-800-647-8733)** or to local law enforcement officials.
- A list of ED/SFAP regional offices is on pages C-6 and C-7.

Professional Associations' Technical Assistance and Training

Technical financial aid assistance is usually available to members of financial-aid-related professional associations. Some associations might also research technical and historical questions, locate helpful materials, and refer problems/questions to experienced members.

Training is usually offered to both members and non-members, the latter paying a higher registration fee. Workshop topics are selected to meet current needs and address issues within the financial aid community.

Workshops are offered on four different levels: local, state, regional, and national. Many of the national workshops are listed in ED's Training Calendar, which is published three times a year—in May, September, and January—and mailed to schools participating in Title IV programs.

In addition to training, many associations hold annual or semi-annual conferences that provide valuable opportunities to exchange information, network, and express opinions on aid-related issues.

There are several association publications that might be useful financial aid resources. These publications are usually available, for a fee, from professional associations and national, state, and local agencies and associations. Membership in the association is sometimes required. The publications include:

- financial aid encyclopedias,
- job aids,
- self-evaluation guides, and
- newsletters or research journals.

Some major national associations related to student financial aid are listed below.

- Career College Association (CCA)
  750 First Street, NE, Suite 900
  Washington, DC 20002
  202-336-6700

- The National Association of College and
  University Business Officers (NACUBO) 1
  Dupont Circle, NW, Suite 500
  Washington, DC 20036
  202-861-2500

- National Association of Student Financial Aid
  Administrators (NASFAA) 1920 L Street, NW,
  Suite 200 Washington, DC 20036
  202-785-0453

Networking

Networking is another important source of technical assistance and training. Through meeting and talking together, financial aid administrators can exchange:

- technical information,
- suggested management approaches,
- guidance for problem-solving, and
- assistance for new or inexperienced staff.

Networking opportunities are available through:

- association memberships,
- school partnerships, and
- personal and professional affiliations.

ED/SFAP Regional Offices

Region	States Served
I U.S. Department of Education J.W. McCormack Post Office and Courthouse Bldg. Room 502, MS-01-0070 Boston, MA 02109 Telephone: 617-223-9328 FAX: 617-223-4305	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
II U.S. Department of Education 75 Park Place, 12th Floor New York, NY 10007 Telephone: 212-264-4022 FAX: 212-264-5025	Canal Zone, New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands
III U.S. Department of Education 100 Penn East Square, Suite 511 Philadelphia, PA 19104 Telephone: 215-656-6422 FAX: 215-656-6499	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia
IV U.S. Department of Education 61 Forsyth St., SW, Room 18T20 Atlanta, GA 30303-3104 Telephone: 404-562-6318 FAX: 404-562-6321	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
V U.S. Department of Education 111 North Canal Street Chicago, IL 60606 Telephone: 312-886-8767 FAX: 312-353-2836	Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
VI U.S. Department of Education 1200 Main Tower, Room 2150, MS-06-5080 Dallas, TX 75202 Telephone: 214-767-3811 FAX: 214-767-0336	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
VII U.S. Department of Education 7505 Tiffany Springs Parkway Kansas City, MO 64153 Telephone: 816-880-4053 FAX: 816-891-0983	Iowa, Kansas, Missouri, and Nebraska

VIII	U.S. Department of Education 1391 North Speer Blvd., Suite 800 Denver, CO 80204-2512 Telephone: 303-844-3677 FAX: 303-855-5756	Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming
IX	U.S. Department of Education 50 United Nations Plaza, Room 268, MS–09–8080 San Francisco, CA 94102 Telephone: 415-437-8276 FAX: 415-437-8206	Arizona, California, Hawaii, Nevada, American Samoa, Guam, Federated States of Micronesia, the Marianas, Republic of Palau, and Republic of the Marshall Islands
X	U.S. Department of Education 1000 Second Avenue, Suite 1200 Seattle, WA 98104 Telephone: 206-287-9078 FAX: 206-553-0799	Alaska, Idaho, Oregon, and Washington

Overheads

APPENDIX D

BEST COPY AVAILABLE

Session 1

Introduction and Overview

Group Questions

- ✓ Name?
- ✓ School?
- ✓ Years of experience?
- ✓ Oddest Job?

Important Questions

1) **What issues have the greatest impact on my school?**
2) **What do I need to do to be ready to manage and award financial aid?**

Answer Key

1. Federal Supplemental Educational Opportunity Grant (FSEOG)
2. Parent Loan for Undergraduate Students (PLUS)
3. Federal Perkins Loan

Answer Key

4. Pell Grant
5. Federal Subsidized and Unsubsidized Stafford Loans (FFEL)
6. Federal Direct Subsidized and Unsubsidized Loans

Definitions

Authorization

Establishes programs

Reauthorization

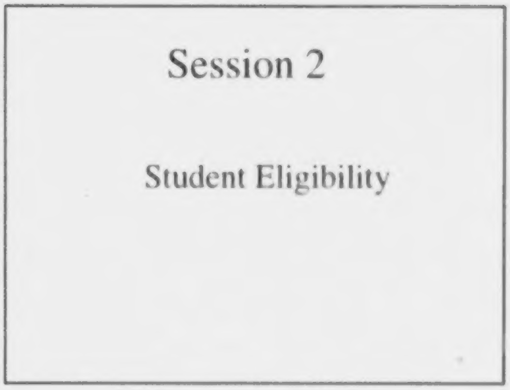
Renews, terminates, or amends existing programs

Types of Federal Registers

- ✓ Notice of Proposed Rulemaking (NPRM)
- ✓ Final Rule
- ✓ Notices

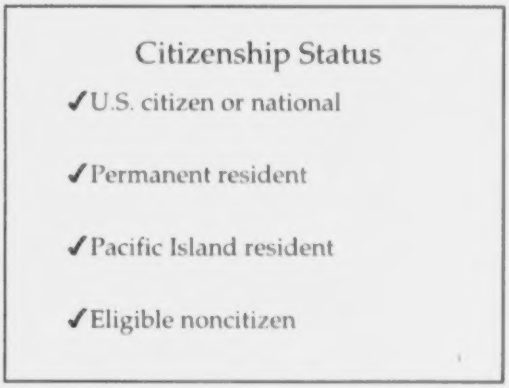
Dear Colleague Letters

- ✓ GEN - general
- ✓ P - Pell
- ✓ CB - campus-based
- ✓ L - lenders
- ✓ G - guaranty agencies
- ✓ DLB - Direct Loan bulletin



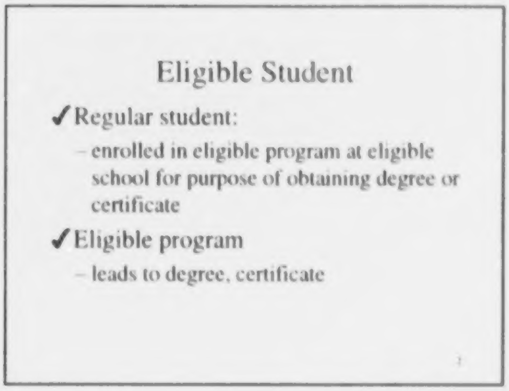
Session 2

Student Eligibility



Citizenship Status

- ✓ U.S. citizen or national
- ✓ Permanent resident
- ✓ Pacific Island resident
- ✓ Eligible noncitizen



Eligible Student

- ✓ Regular student:
  - enrolled in eligible program at eligible school for purpose of obtaining degree or certificate
- ✓ Eligible program
  - leads to degree, certificate

Academic Qualifications

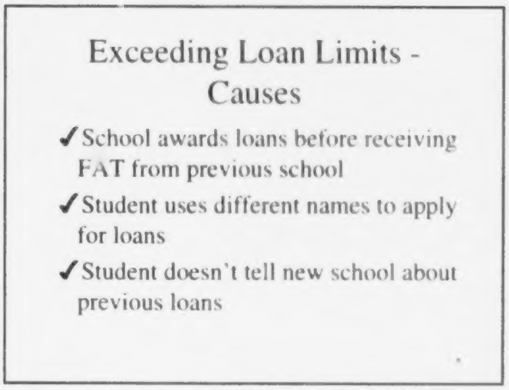
- ✓ Have a diploma or GED; or
- ✓ Pass ability-to-benefit test; or
- ✓ Attend school with state process approved by U.S. Secretary of Education

Remedial Coursework

- ✓ Part of an eligible program
- ✓ No more than one academic year

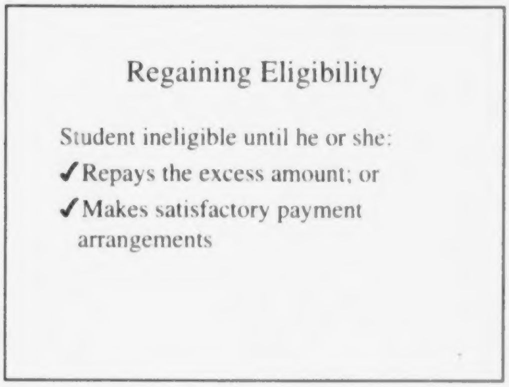
Satisfactory Academic Progress

- ✓ Qualitative: grades
  - maintain "C" average (2.0)
- ✓ Quantitative: timing
  - on pace to complete course within 150% of time



Exceeding Loan Limits - Causes

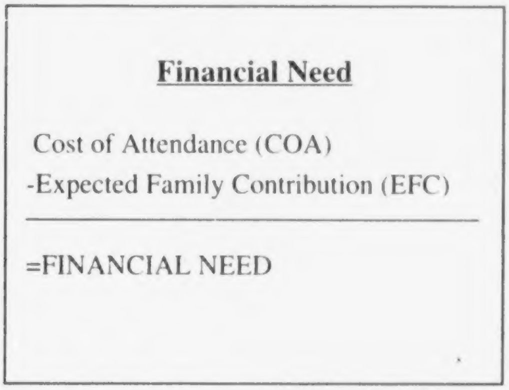
- ✓ School awards loans before receiving FAT from previous school
- ✓ Student uses different names to apply for loans
- ✓ Student doesn't tell new school about previous loans



Regaining Eligibility

Student ineligible until he or she:

- ✓ Repays the excess amount; or
- ✓ Makes satisfactory payment arrangements

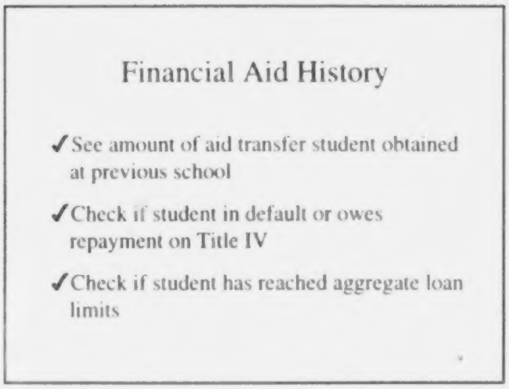


Financial Need

Cost of Attendance (COA)

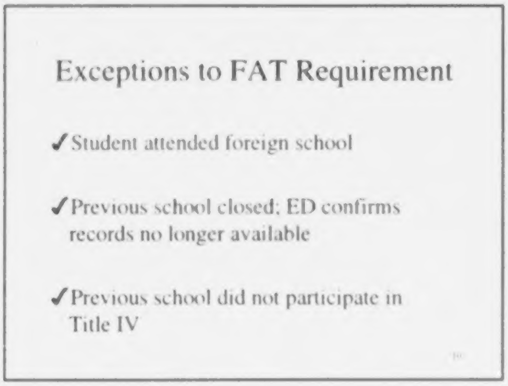
-Expected Family Contribution (EFC)

=FINANCIAL NEED



Financial Aid History

- ✓ See amount of aid transfer student obtained at previous school
- ✓ Check if student in default or owes repayment on Title IV
- ✓ Check if student has reached aggregate loan limits



Exceptions to FAT Requirement

- ✓ Student attended foreign school
- ✓ Previous school closed; ED confirms records no longer available
- ✓ Previous school did not participate in Title IV

Session 3

FAFSAs and
Output Documents

Expected Family Contribution

- ✓ ED calculates using data from FAFSA
- ✓ Represents amount student and family are expected to contribute to student's education

Help?!

Call the
Federal Student Aid
Information Center:
1-800-433-3243
(1-800-4-FED-AID)

Deadlines

Earliest to submit
2000-2001 FAFSA
January 1, 2000

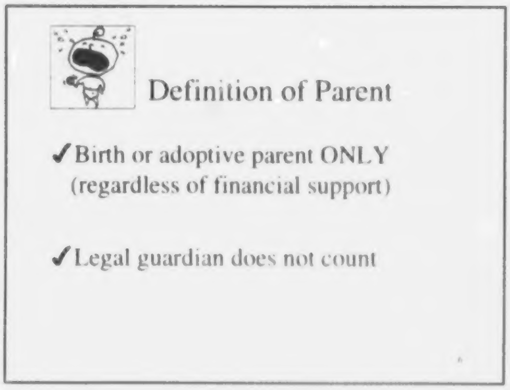
Latest to submit 2000-2001 FAFSA
July 2, 2001

FAFSA Instructions

Available only on-line at :
http://www.ed.gov/studentaid

Step Two - Dependency Status

- ✓ "No" to every question - **dependent**
  - skip to Step Four (parents)
- ✓ "Yes" to any question - **independent**
  - complete Step Three (student's household)
  - skip to Step Five



Definition of Parent

- ✓ Birth or adoptive parent ONLY (regardless of financial support)
- ✓ Legal guardian does not count

Step Four: Whose Tax Information to Use??

Use parent that student lived with the most over past year.

If student lived with both parents equally, use information of parent who provided the most financial support over past year.

Untaxed Income

- ✓ In-kind support - *food, shelter, etc* - DOES NOT COUNT as untaxed income
- ✓ Cash support - *money to student or paying bills in student's name* - DOES COUNT as untaxed income
  - include on Worksheet A

Household Size

- ✓ *Immediate* family members receiving more than half their support from student's household, *regardless of where they live.*
- ✓ Anyone *living in student's household* who is receiving more than half of his or her support from student's household and will continue to do so over the coming year.

FAFSA Worksheets

Worksheet A:	total untaxed income to be *included* for student/parent
Worksheet B:	total financial aid and child support to be *excluded* for student/parent

Electronic FAFSAs - Quicker Processing

- ✓ Data go directly to CPS (no FAFSA processor involved)
- ✓ Internal edits prevent time-consuming corrections later

Renewal FAFSA on the Web

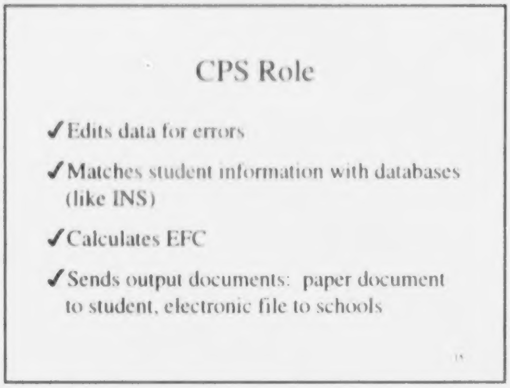
- ✓ Student must reside at same permanent address as reported on previous FAFSA or updated with CPS since.
- ✓ PIN serves as student's signature

Express *vs.* Web - *Differences*

- ✓ *FAFSA on the Web* - Mac or PC, no download. Renewal available
- ✓ *FAFSA Express* - PC only, installation or download required

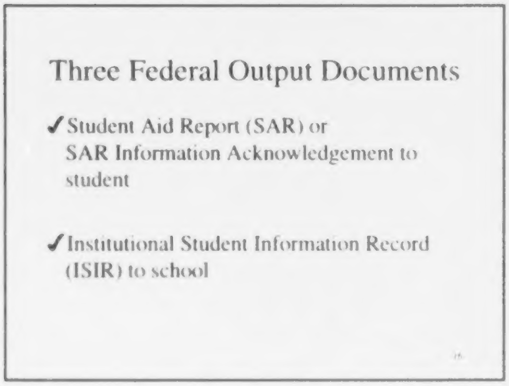
EDExpress Application Process

1) Student completes paper FAFSA, signs, brings to school
2) School enters data, submits to CPS
3) School keeps paper FAFSA as signed document for 3 years



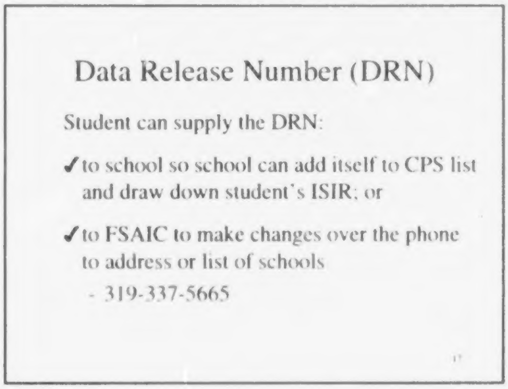
CPS Role

- ✓ Edits data for errors
- ✓ Matches student information with databases (like INS)
- ✓ Calculates EFC
- ✓ Sends output documents: paper document to student, electronic file to schools



Three Federal Output Documents

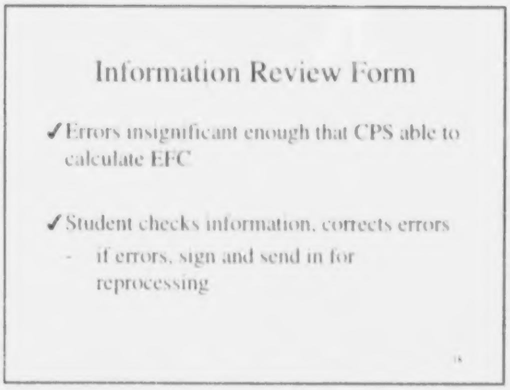
- ✓ Student Aid Report (SAR) or SAR Information Acknowledgement to student
- ✓ Institutional Student Information Record (ISIR) to school



Data Release Number (DRN)

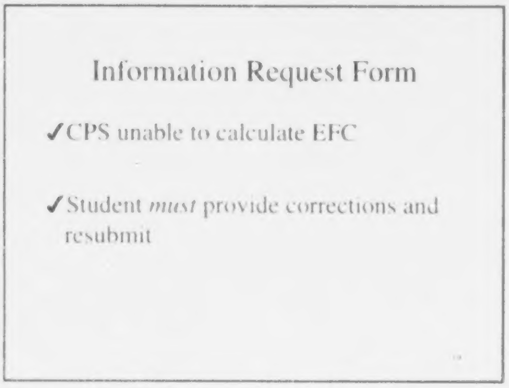
Student can supply the DRN:

- ✓ to school so school can add itself to CPS list and draw down student's ISIR; or
- ✓ to FSAIC to make changes over the phone to address or list of schools
  - 319-337-5665



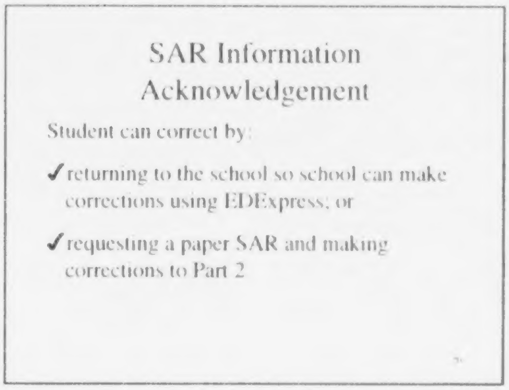
Information Review Form

- ✓ Errors insignificant enough that CPS able to calculate EFC
- ✓ Student checks information, corrects errors
  - if errors, sign and send in for reprocessing



Information Request Form

- ✓ CPS unable to calculate EFC
- ✓ Student *must* provide corrections and resubmit



SAR Information Acknowledgement

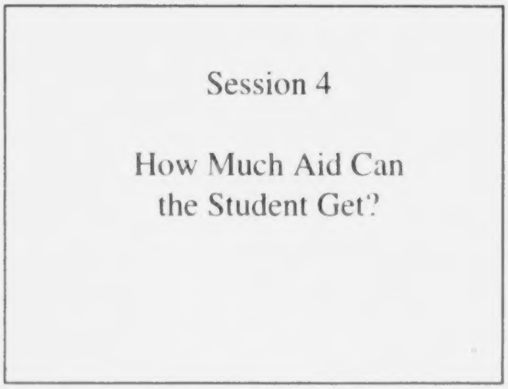
Student can correct by:

- ✓ returning to the school so school can make corrections using EDExpress; or
- ✓ requesting a paper SAR and making corrections to Part 2

Adding Schools

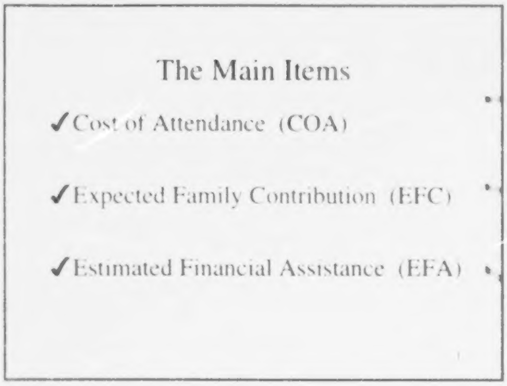
Student can add schools to list by:

- ✓ Mailing in corrected SAR;
- ✓ Calling Federal Student Aid Information Center at 1-800-433-3243; or
- ✓ Providing school with Data Release Number (DRN) from SAR



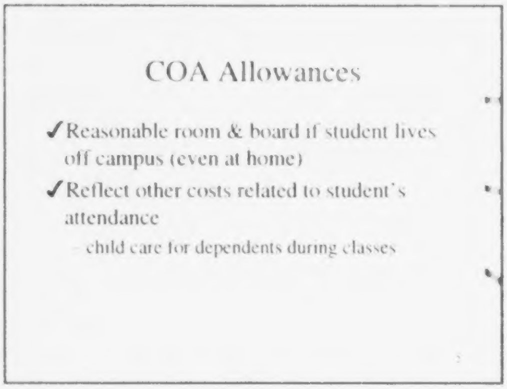
Session 4

How Much Aid Can the Student Get?



The Main Items

- ✓Cost of Attendance (COA)
- ✓Expected Family Contribution (EFC)
- ✓Estimated Financial Assistance (EFA)



COA Allowances

- ✓Reasonable room & board if student lives off campus (even at home)
- ✓Reflect other costs related to student's attendance
  - child care for dependents during classes

EFC

- ✓ ED calculates official EFC
- ✓ Based on information from FAFSA
- ✓ School never *required* to calculate EFC, but may want to

EFC Formula Worksheets

- ✓ A: Dependent Student
- ✓ B: Independent Student (with no dependents other than a spouse)
- ✓ C: Independent Student (with dependents other than a spouse)

Automatic Zero EFC: Dependent Student

Parents not required to file regular 1040 (they may file a 1040A or EZ, or not file at all)

&

Sum of both parents' AGI is $12,000 or less

Automatic Zero EFC: Independent Student

Student has dependents other than a spouse

&

Student and spouse not required to file regular 1040 (they may file a 1040A or EZ, or not file at all)

&

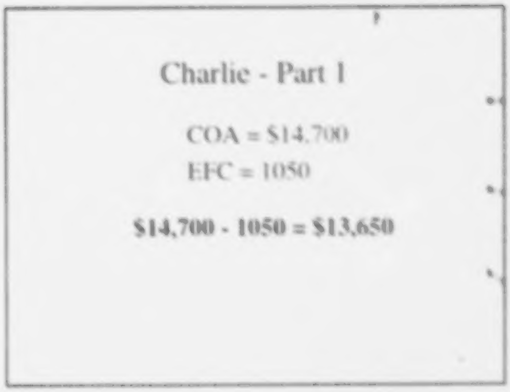
Sum of student's and spouse's AGI is $12,000 or less

EFC Types

- ✓ Official EFC
  - CPS puts on SARs/ISIRs
- ✓ School's Estimated EFC
  - by hand or EDExpress
  - before SARs/ISIRs
- ✓ School-Recalculated EFC
  - corrections, updates, adjustments
  - by hand or EDExpress

Equation 1 - Basic Need

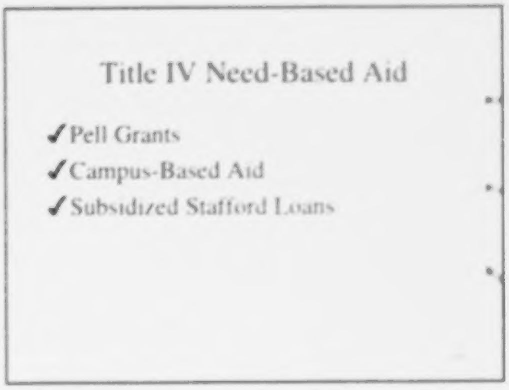
COA - EFC = Need



Charlie - Part 1

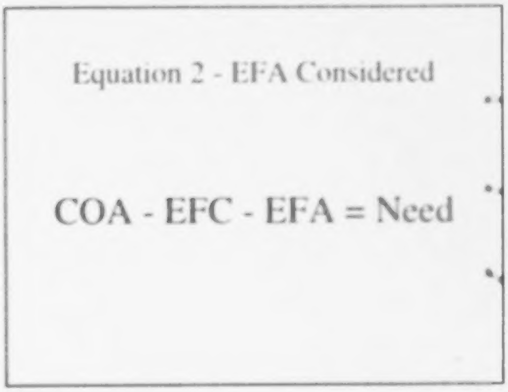
COA = $14,700
EFC = 1050

$14,700 - 1050 = $13,650



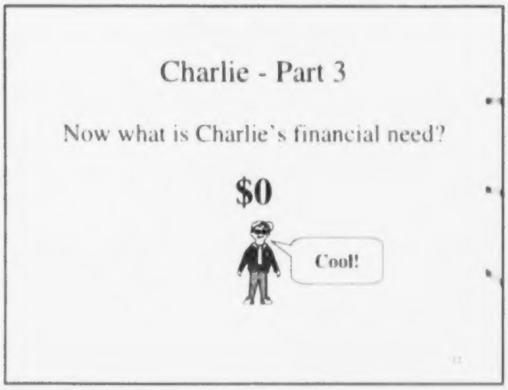
Title IV Need-Based Aid

- ✓ Pell Grants
- ✓ Campus-Based Aid
- ✓ Subsidized Stafford Loans



Equation 2 - EFA Considered

COA - EFC - EFA = Need



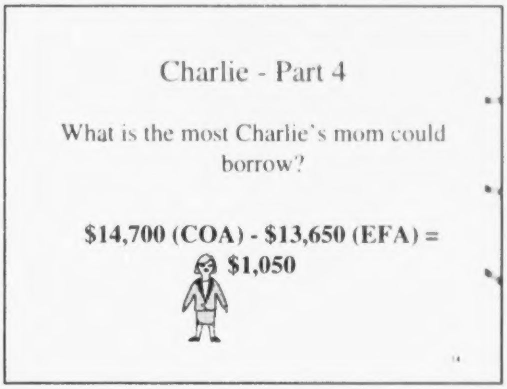
Charlie - Part 3

Now what is Charlie's financial need?

$0

Equation 3 -
Non-Need Based Aid

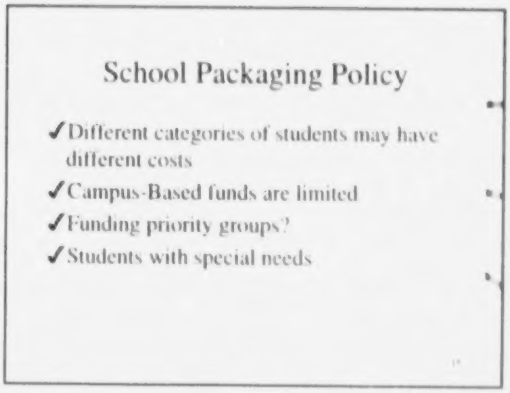
COA - EFA =
Eligibility for non-need based aid
(unsubsidized Stafford & PLUS)



Charlie - Part 4

What is the most Charlie's mom could borrow?

$14,700 (COA) - $13,650 (EFA) =
$1,050



School Packaging Policy

- ✓ Different categories of students may have different costs
- ✓ Campus-Based funds are limited
- ✓ Funding priority groups?
- ✓ Students with special needs

Precertification Session

Program Participation Issues

Scope of Coverage

- ✓ Programs in which school is *eligible to apply* to participate
- ✓ If program on list, school does not have to reapply later to participate
- ✓ If program not on list, school must later reapply, and get new PPA, to participate

Immediate Need

- ✓ School must disburse within 3 business days of receiving funds
- ✓ School can keep up to $250 of interest

Record Maintenance

✓ **Student Records** - enrollment, program, progress, financial aid

✓ **Institutional Records** - PPA, reviews, audits

✓ **Fiscal Records** - bank statements, student accounts, payroll records

Record Maintenance (cont'd)

✓ **Financial Aid Records** - student applications, records of awards, verification documents

✓ **Reporting Records** - FISAPs

✓ **Program-Specific Records**

Separation of Functions

✓ Two separate offices must authorize and disburse Title IV

✓ The two individuals can't be related

✓ Usually, financial aid office authorizes, and business office disburses

Fraud and Abuse

Report suspected employees and students to the Office of the Inspector General (OIG):

1-800-MIS-USED

Enrollment and Cohort Default

- ✓ Less than 33% withdraw during last year for new schools
- ✓ 25% or less cohort default rate for FFEL, and less than 15% for Perkins, over last 3 years

Student Right to Know

- ✓ Made available to current and prospective students each July 1
- ✓ Track graduation, completion, and transfer-out rates of each class of students

Student Right to Know - Athletics

- ✓ Submit to ED annually by July 1
- ✓ Graduation, completion, and transfer-out rates of student-athletes compared to similar rates for regular student body

Equity in Athletics Disclosure Act (EADA)

- ✓ Revenues generated from, and money spent on, intercollegiate athletics
- ✓ Data broken down by gender and sport
- ✓ Made available to public, and submitted to ED, by July 1 each year

Campus-Security Report

- ✓ Annual report on crime, security, and prevention; provide to students and employees
- ✓ List murder, sex offenses, robbery, aggravated assault, burglary, car theft, and hate crimes
- ✓ Warn campus of threatening situations

Nonfederal Audits

Exception if school:

✓ receives less than $200,000 in Title IV; and

✓ provides Letter of Credit equal to at least half of the school's Title IV liability

Nonfederal Audit - Parts

Compliance Audit: measure how well school follows regulations

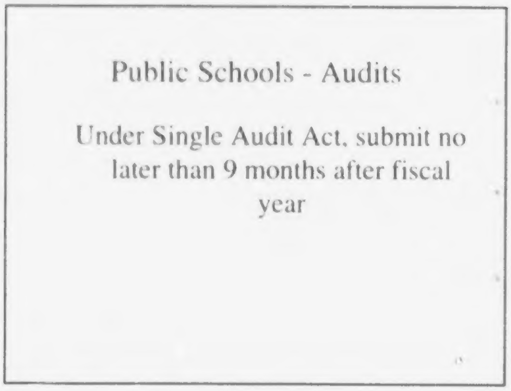
Financial Audit: examine school's financial statements

Private Schools & Audits

✓ Submit both parts no later than 6 months after school's fiscal year

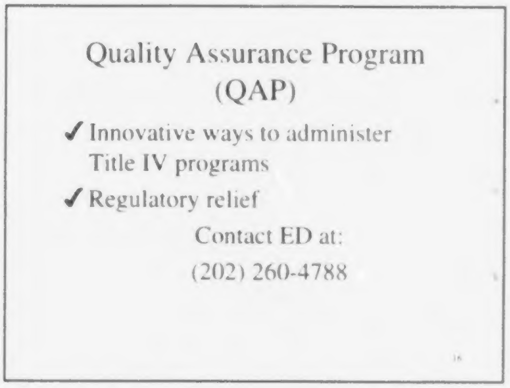
✓ If private, nonprofit, follow OMB Circular A-133

✓ If school uses less than $300,000 of federal funds, no compliance audit required



Public Schools - Audits

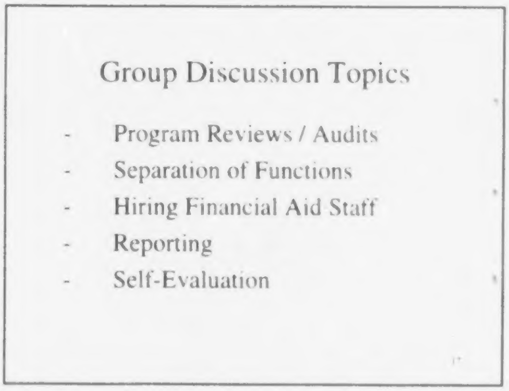
Under Single Audit Act, submit no later than 9 months after fiscal year



Quality Assurance Program (QAP)

- ✓ Innovative ways to administer Title IV programs
- ✓ Regulatory relief

Contact ED at:
(202) 260-4788



Group Discussion Topics

- Program Reviews / Audits
- Separation of Functions
- Hiring Financial Aid Staff
- Reporting
- Self-Evaluation

Session 6

Verification, Updating, and Corrections

CPS-Selected Verification

- ✓ Asterisk to right of EFC on SAR
- ✓ Code on ISIR

30% Verification Option

School never required to verify more than 30% of selected applicants

- ✓ If CPS selects more than 30% of applicant pool, you may stop at 30%
- ✓ If CPS selects 30% or less of applicant pool, verify all applicants selected

Verification Steps

Step 1: Verify the information

Step 2: Determine need to submit corrections to CPS

Required Items

You must verify:

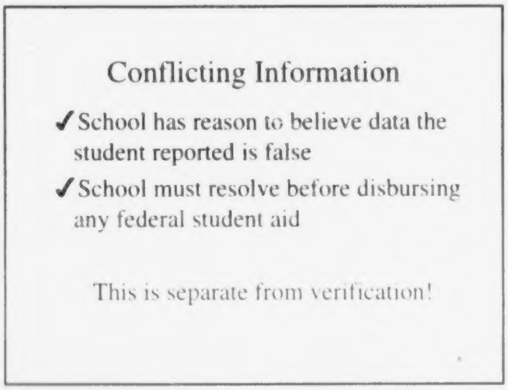
- ✓ Household size
- ✓ Number enrolled in college
- ✓ Adjusted gross income (AGI)
- ✓ U.S. income tax paid
- ✓ Certain untaxed income and benefits

Chuck's Net Error

Original Total = $20,430

Verified Total = $21,475

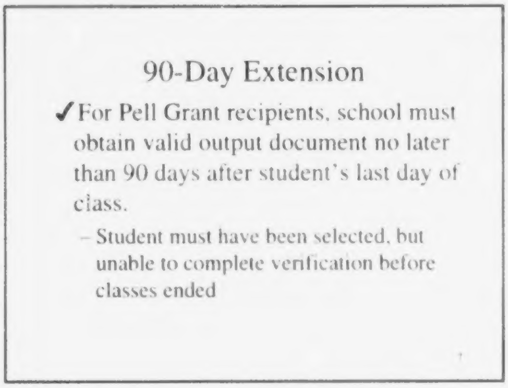
Net Error= $1,045



Conflicting Information

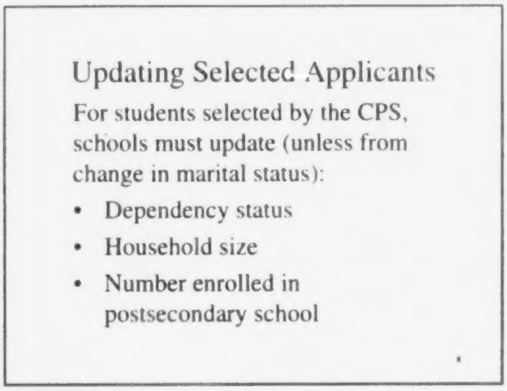
- ✓ School has reason to believe data the student reported is false
- ✓ School must resolve before disbursing any federal student aid

This is separate from verification!



90-Day Extension

- ✓ For Pell Grant recipients, school must obtain valid output document no later than 90 days after student's last day of class.
  - Student must have been selected, but unable to complete verification before classes ended



Updating Selected Applicants

For students selected by the CPS, schools must update (unless from change in marital status):

- Dependency status
- Household size
- Number enrolled in postsecondary school

Policies & Procedures Provided to the Student

- ✓Deadlines for Students
- ✓Notifying Students of Award Changes
- ✓Correction Procedures for Students
- ✓Publicize Requirements & Procedures
- ✓Procedures for Referring Overpayment Cases

Session 7

Your School & The Funds

Requirements

To participate in Title IV, a school must show:

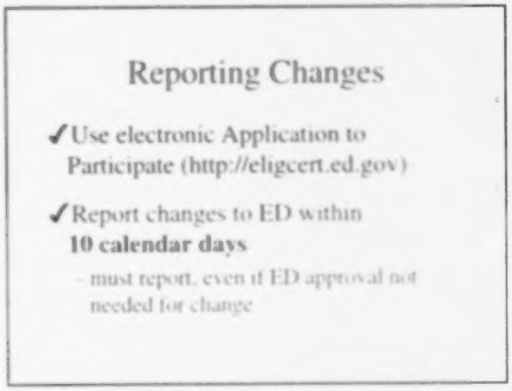
✓ institutional eligibility
✓ financial responsibility
✓ administrative capability

Defining School Types

Chart defines school types based on:

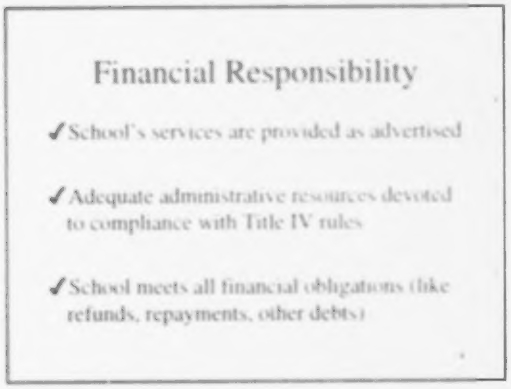
✓ control of the school; and

✓ length of the school's programs



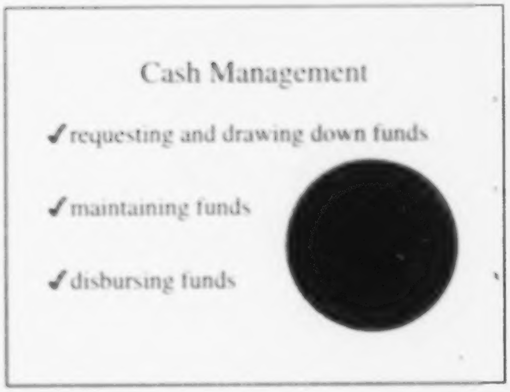
Reporting Changes

- ✓ Use electronic Application to Participate (http://eligcert.ed.gov)
- ✓ Report changes to ED within **10 calendar days**
  - must report, even if ED approval not needed for change



Financial Responsibility

- ✓ School's services are provided as advertised
- ✓ Adequate administrative resources devoted to compliance with Title IV rules
- ✓ School meets all financial obligations (like refunds, repayments, other debts)



Cash Management

- ✓ requesting and drawing down funds
- ✓ maintaining funds
- ✓ disbursing funds

Timing of Requests

SINCE earliest schools can disburse funds is 10 days before payment period.

AND schools must disburse funds to students within 3 business days after receiving funds.

THEN schools should request funds no more than 13 days before payment period

Payment Methods

- ✓ Advance Payment Method
  - school requests, receives funds prior to disbursement to student
- ✓ Reimbursement Payment Method
  - school disburses first, then requests funds from ED
- ✓ Just-In-Time Payment Method
  - new pilot program

How to Request Funds

- ✓ Grant Administration and Payment System (GAPS)
  - Pell, campus-based, Direct Loans
- ✓ Recipient and Financial Management System (RFMS)
  - additional system for Pell

Disbursing Funds

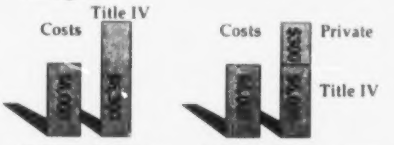
- ✓ First use funds to cover student's institutional charges
  - tuition, fees, room and board, etc.
- ✓ Then cover other *authorized* charges
- ✓ Disburse remainder to student to cover living expenses

Disbursement

- ✓ Crediting student's account OR paying the the student directly
- ✓ Before disbursing, make sure student has completed previous payment period

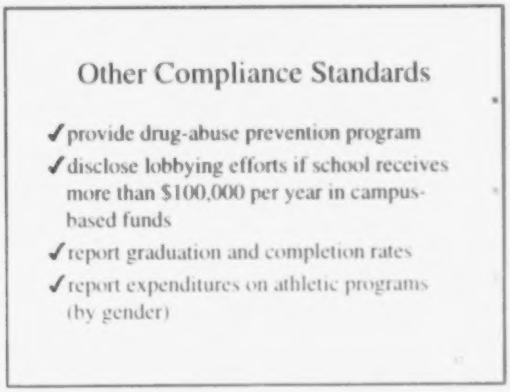
Title IV Credit Balance

- ✓ Title IV *by itself* exceeds authorized charges



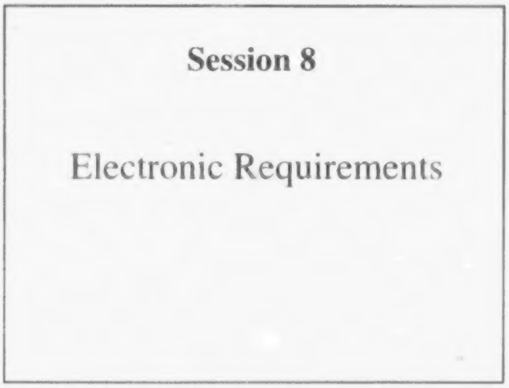
T IV Credit Balance

No T IV Credit Balance



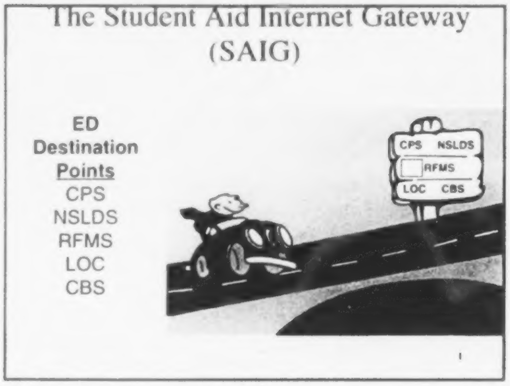
Other Compliance Standards

- ✓ provide drug-abuse prevention program
- ✓ disclose lobbying efforts if school receives more than $100,000 per year in campus-based funds
- ✓ report graduation and completion rates
- ✓ report expenditures on athletic programs (by gender)



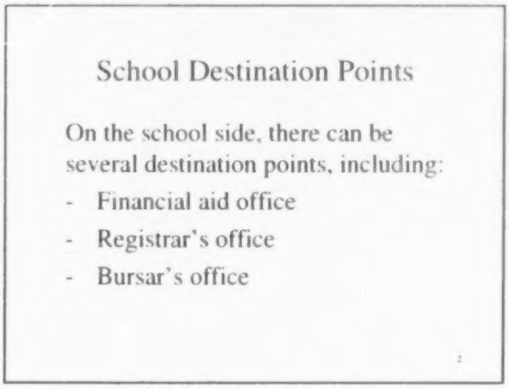
Session 8

Electronic Requirements



The Student Aid Internet Gateway (SAIG)

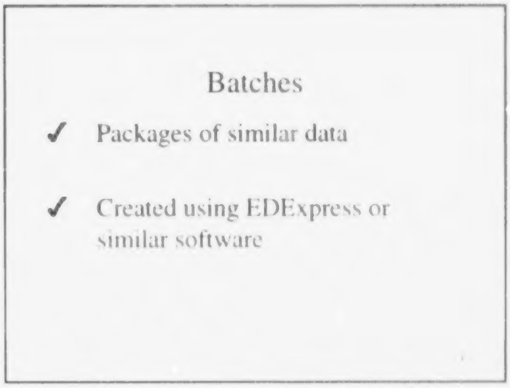
ED Destination Points
CPS
NSLDS
RFMS
LOC
CBS



School Destination Points

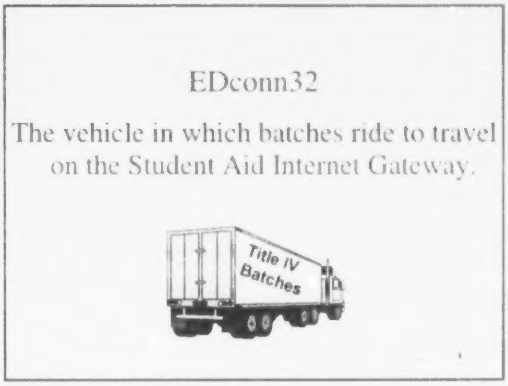
On the school side, there can be several destination points, including:

- Financial aid office
- Registrar's office
- Bursar's office



Batches

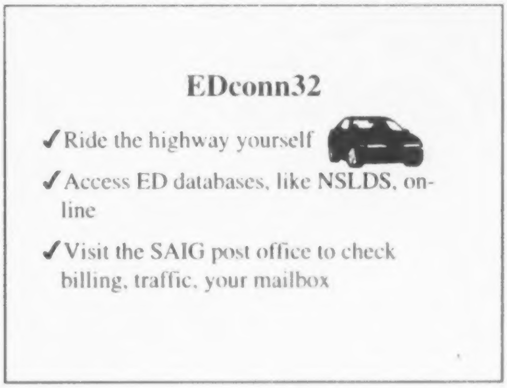
- ✓ Packages of similar data
- ✓ Created using EDExpress or similar software



EDconn32

The vehicle in which batches ride to travel on the Student Aid Internet Gateway.

Title IV
Batches



EDconn32

- ✓ Ride the highway yourself
- ✓ Access ED databases, like NSLDS, on-line
- ✓ Visit the SAIG post office to check billing, traffic, your mailbox

Internet and Title IV

Schools now must use the Internet to:

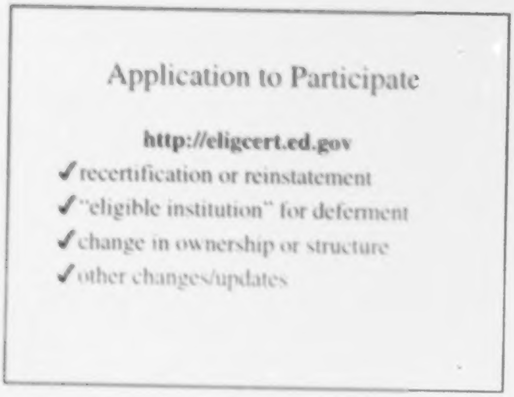
- ✓ Obtain publications like *Dear Colleague letters* and handbooks
- ✓ File the Application to Participate
- ✓ Request Title IV funds

Info for Financial Aid Professionals Web Site

- ✓ Schools must access resource documents from web site [http://ifap.ed.gov]
- ✓ ED **no longer** sends paper copies of DCLs, announcements, the *Federal Register*, and other ED documents to schools

SFA Technical Support Website

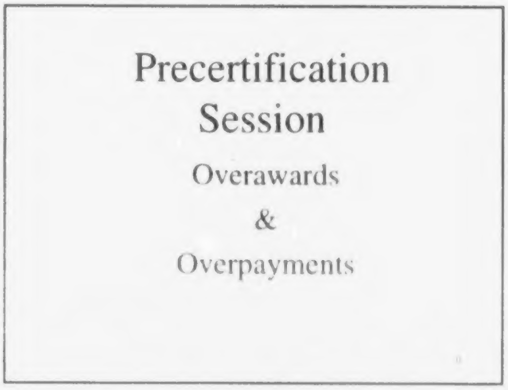
www.ed.gov/offices/OSFAP/sfatech



Application to Participate

http://eligcert.ed.gov

- ✓ recertification or reinstatement
- ✓ "eligible institution" for deferment
- ✓ change in ownership or structure
- ✓ other changes/updates

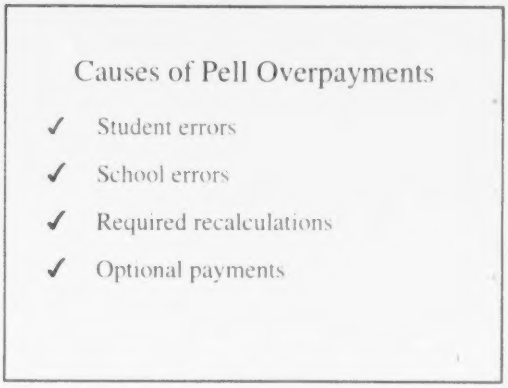


Precertification Session

Overawards

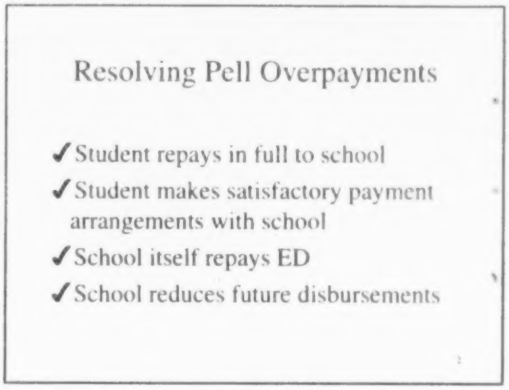
&

Overpayments



Causes of Pell Overpayments

- ✓ Student errors
- ✓ School errors
- ✓ Required recalculations
- ✓ Optional payments



Resolving Pell Overpayments

- ✓ Student repays in full to school
- ✓ Student makes satisfactory payment arrangements with school
- ✓ School itself repays ED
- ✓ School reduces future disbursements

Pell Overpayments

- ✓ Student transfers and receives too much for the year
- ✓ Student attends two school simultaneously, and tries to get Pell from both

RFMS will help eliminate these problems.

Need

Cost of Attendance
- Expected Family Contribution
= Need

Example - Beth

NEED: $5,200

ORIGINAL PACKAGE:

Pell	$2,300
FSEOG	$1,500
Perkins	$ 600
TOTAL	$4,400

Beth Gets a $1,500 Scholarship!

NEED: $5,200

NEW PACKAGE:

Pell	$2,300
FSEOG	$1,500
Perkins	$ 600
Scholarship	$1,500
TOTAL	$5,900

Beth Gets a $1,000 Scholarship!

NEED: $5,200

NEW PACKAGE:

Pell	$2,300
FSEOG	$1,500
Perkins	$ 600
Scholarship	$1,000
TOTAL	$5,400

Campus-Based Overpayment

Total Resources
- Need
- $300

Overpayment

Correcting Campus-Based Overpayments

If school's fault:

- ✓ restore overpaid amount to campus-based fund, plus ACA

If student's fault:

- ✓ make no more Title IV disbursements to student and try to collect from student

Overawards for Unsubsidized Loans

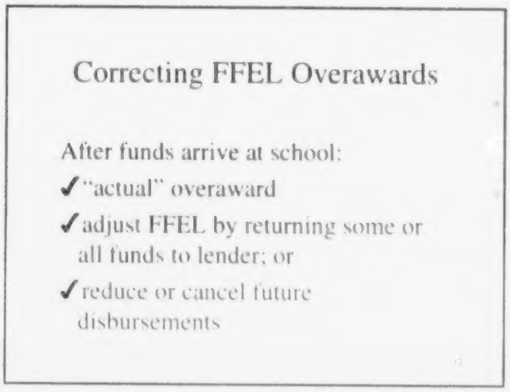
- ✓ Loan combined with other EFA exceeds COA

COA:	$4,000
PACKAGE:	
Subsidized Loan	$3,000
Unsubsidized Loan	$1,000
Merit Scholarship	$ 500

Correcting FFEL Overawards

Before funds arrive at school:

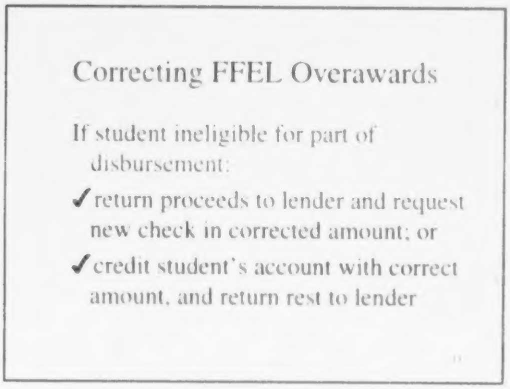
- ✓ "potential" overaward
- ✓ ask lender to reduce/cancel award; or
- ✓ adjust institutional or campus-based aid



Correcting FFEL Overawards

After funds arrive at school:

- ✓ "actual" overaward
- ✓ adjust FFEL by returning some or all funds to lender; or
- ✓ reduce or cancel future disbursements



Correcting FFEL Overawards

If student ineligible for part of disbursement:

- ✓ return proceeds to lender and request new check in corrected amount; or
- ✓ credit student's account with correct amount, and return rest to lender

Session 10(a)

Federal Pell Grants:
Definitions, Formulas,
&
Special Issues

Academic Year Minimums

Statutory Definition of an Academic Year		
Academic Progress Measured By:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

* Number of hours that a student enrolled full time is expected to complete in a full academic year

Standard vs. Nonstandard Terms

- ✓Standard-term:
  - semester, trimester, quarter
  - full time = at least 12 credits
- ✓Nonstandard Term:
  - Any other term

Annual Award

✓ For term-based, credit-hour programs, enrollment status considered

✓ For nonterm and all clock-hour programs, same as Scheduled Award

Formula 1

✓ Standard-term, credit-hour program

✓ At least 30 weeks of actual instructional time in the program

✓ Every term in *award year* requires 12 credits for full time

Formula 2

✓ Standard-term, credit-hour program

✓ Fewer than 30 weeks of actual instructional time in the program

✓ Every term in *award year* requires 12 credits for full time

Formula 3

- ✓ Standard or nonstandard terms
- ✓ Greater than, less than, or equal to 30 weeks of actual instructional time in the program

Formula 4

All clock-hour programs and any credit-hour programs without terms

Choosing a Formula

Once you choose for a program, you must calculate Pell for every student in that program for the entire award year using that formula.

Session 10(b)

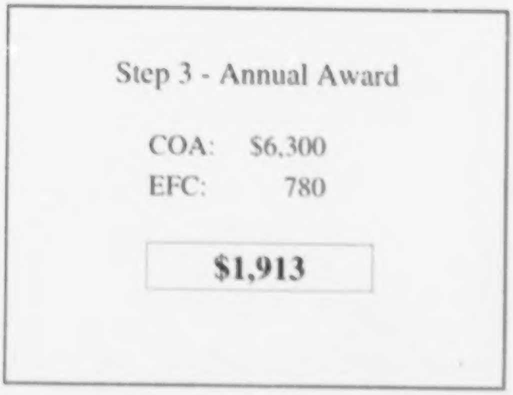
Calculating
Pell Grant Awards -
Term-Based,
Credit-Hour Programs

Five Calculation Steps

1) Determine enrollment status
2) Calculate Pell COA
3) Determine annual award
4) Determine payment periods
5) Calculate payment for each payment period

Enrollment Status

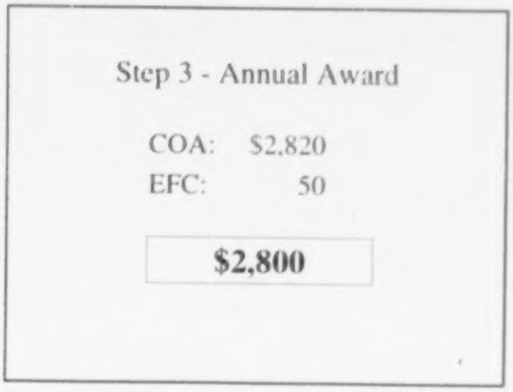
full time:	at least 12 credits
3/4 time:	at least 9 credits
1/2 time:	at least 6 credits
< 1/2 time:	fewer than 6 credits



Step 3 - Annual Award

COA: $6,300
EFC: 780

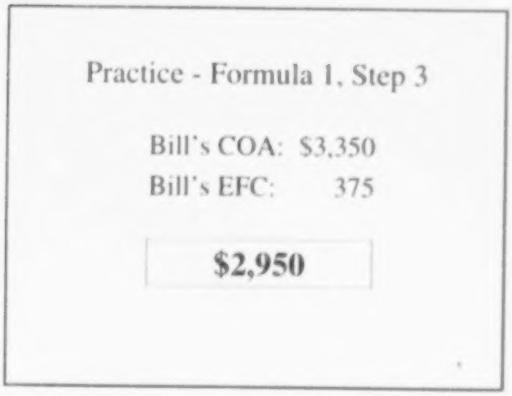
$1,913



Step 3 - Annual Award

COA: $2,820
EFC: 50

$2,800



Practice - Formula 1, Step 3

Bill's COA: $3,350
Bill's EFC: 375

$2,950

Practice - Formula 1, Step 3

Janet's COA: $3,350
Janet's EFC: 1,050

Fall - $2,250

Spring - $1,125

Step 5: Payment per Payment Period

$$\frac{\text{Annual Award}}{\#\text{ of payment periods in } \textit{academic} \text{ year}}$$

Practice - Formula 1, Step 5

Bill:

Fall - $1,475

Spring - $1,475

Janet:

Fall - $1,125

Spring - $562

Case Study - Larry

Step 1: Half time for all 3 quarters
Step 2: COA - $3,115
Step 3: Annual Award = $1,500/quarter
Step 4: Three payment periods
Step 5: $500/quarter

Prorating COA

If program longer than or shorter than statutory academic year, prorate up or down to reflect 1 academic year.

COA Proration - Example

Take lesser of two fractions:

24 hours in academic year definition
22 hours for which costs apply

30 weeks in academic year definition
28 weeks for which costs apply

Practice - Formula 3, Step 2

Take lesser of two fractions:

$\frac{24}{22}$ & $\frac{30}{28}$

Multiply by COA to get Pell COA:

30/28 X $7,000 = $\boxed{\$7,500}$

Practice Prorating COA

COA:

$4,600

School definition of academic year:

30 weeks & 24 hours

Program:

32 weeks, 28 hours

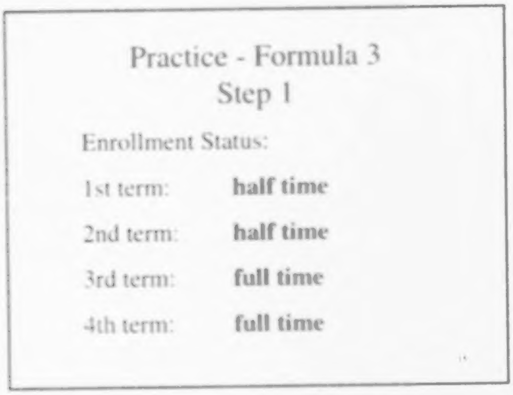
Practice - Formula 3, Step 2

Hours fraction: 24 / 28

Weeks fraction: 30 / 32

New COA = $3,943

($4,600 x 24/28)



Practice - Formula 3
Step 1

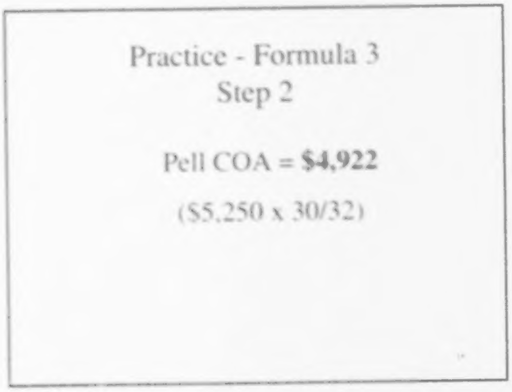
Enrollment Status:

1st term: **half time**

2nd term: **half time**

3rd term: **full time**

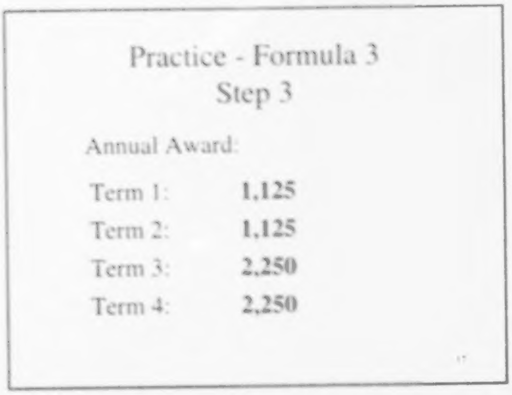
4th term: **full time**



Practice - Formula 3
Step 2

Pell COA = **$4,922**

($5,250 x 30/32)



Practice - Formula 3
Step 3

Annual Award:

Term 1:	**1,125**
Term 2:	**1,125**
Term 3:	**2,250**
Term 4:	**2,250**

Practice - Formula 3
Step 5

Payment per Payment Period:

Term 1: **$300**
Term 2: **$300**
Term 3: **$600**
Term 4: **$600**

Case Study -Formula 3

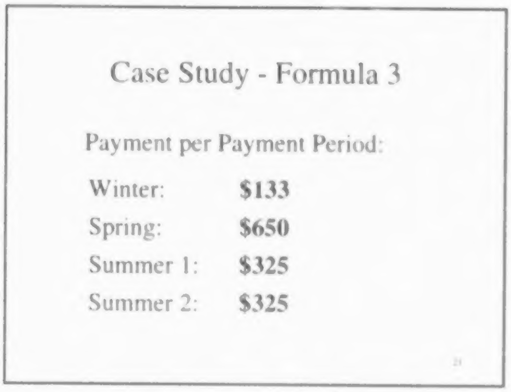
Enrollment Status:

Winter: **less than half time**
Spring: **full time**
Summer 1: **full time**
Summer 2: **full time**

Case Study - Formula 3

Annual Award:

Winter: **400**
Spring: **1,950**
Summer 1: **1,950**
Summer 2: **1,950**



Case Study - Formula 3

Payment per Payment Period:

Winter:	**$133**
Spring:	**$650**
Summer 1:	**$325**
Summer 2:	**$325**

Session 10(c)

Calculating
Pell Grant Awards -
Nonterm-Credit-Hour &
All Clock-Hour Programs

Five Calculation Steps

1) Determine enrollment status
2) Calculate Pell COA
3) Determine annual award
4) Determine payment periods
5) Calculate payment for each payment period

Prorating COA

If program longer than or shorter than statutory academic year, prorate up or down to reflect 1 academic year.

Prorating COA - Practice

School defines academic year as:

- ✓ 30 weeks & 900 clock hours

Length of program:

- ✓ 28 weeks & 850 clock hours
- ✓ COA = $5,200

Prorating COA - Practice

Take lesser of two fractions:

$$\bigcirc\!\!\!\!\!\!\!\frac{900}{850} \qquad \frac{30}{28}$$

Prorating COA - Practice

$$\frac{\$5200 \text{ X } 900}{850} = \$5{,}506$$

Prorating COA - Practice

School defines academic year as:

- ✓ 900 clock hours & 30 weeks

Length of program:

- ✓ 980 clock hours & 34 weeks
- ✓ COA = $7,600

Prorating COA - Practice

$$\frac{900}{980} \qquad \boxed{\frac{30}{34}}$$

$$\$7,600 \times \frac{30}{34} = \mathbf{\$6,706}$$

Step 2 - Helen

$$\frac{900}{800} \qquad \boxed{\frac{30}{27}}$$

$$\$5,538 \times \frac{30}{27} = \mathbf{\$6,153}$$

Annual Award Practice

Cost of Attendance = $2820
EFC = 50

Annual Award = $2,800

Step 3 - Helen

Cost of Attendance = $6153
EFC = 375

Annual Award = $2,950

Checkpoint #1-
Determining Payment Periods

Mountain Climbing (1650 clock hours)
Year 1: 450 and 450
Year 2: 375 and 375
Taxidermy (1250 clock hours)
Year 1: 450 and 450
Year 2: 350

Checkpoint #1-
Determining Payment Periods

Dessert Design (64 credit hours)

Year 1: 12 and 12
Year 2: 12 and 12
Year 3: 8 and 8

Practice - Formula 4, Step 4

Helen:

400	**400**

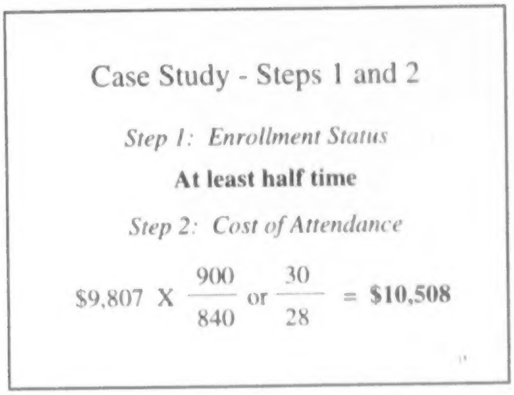
Step 5 - Helen

Adjusted Annual Award

$$\frac{27}{30} \text{ X } \$2,775 = \mathbf{\$2,497}$$

Payments per Payment Period

$$\$2,497 \text{ X } \frac{400}{900} = \mathbf{\$1,110\ \&\ \$1,109}$$



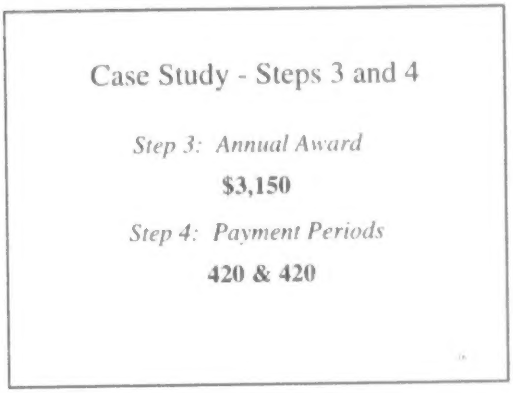
Case Study - Steps 1 and 2

Step 1: Enrollment Status

At least half time

Step 2: Cost of Attendance

$\$9{,}807 \times \frac{900}{840}$ or $\frac{30}{28} =$ **$10,508**



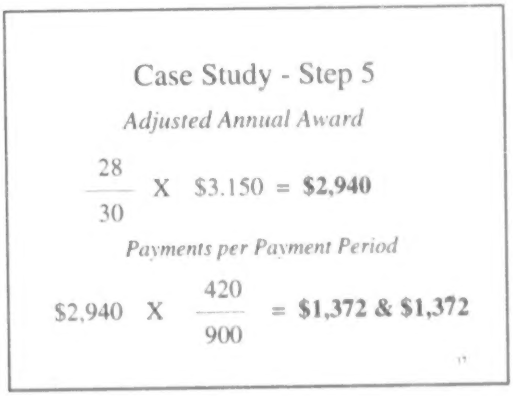
Case Study - Steps 3 and 4

Step 3: Annual Award

$3,150

Step 4: Payment Periods

420 & 420



Case Study - Step 5

Adjusted Annual Award

$\frac{28}{30} \times \$3.150 =$ **$2,940**

Payments per Payment Period

$\$2{,}940 \times \frac{420}{900} =$ **$1,372 & $1,372**

Session 11

Campus-Based Programs

Campus-Based Programs

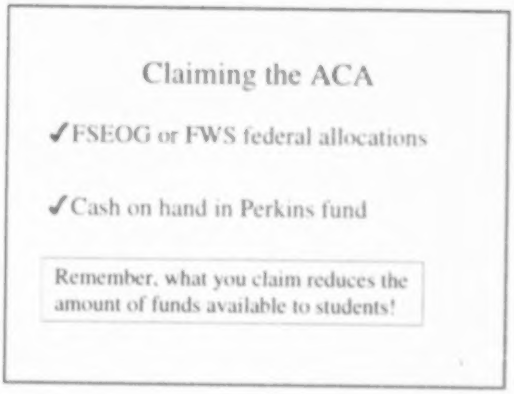
Federal Supplemental Educational Opportunity Grant (FSEOG)

Federal Work Study (FWS)

Federal Perkins Loan Program

Expenditures for ACA Purposes

- ✓FSEOG disbursements
- ✓FWS gross compensation (wages paid)
- ✓Perkins loan advances

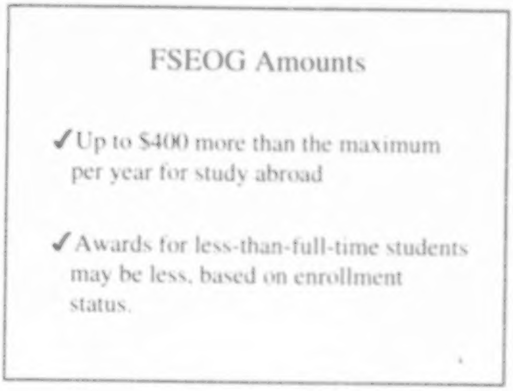


Claiming the ACA

✓ FSEOG or FWS federal allocations

✓ Cash on hand in Perkins fund

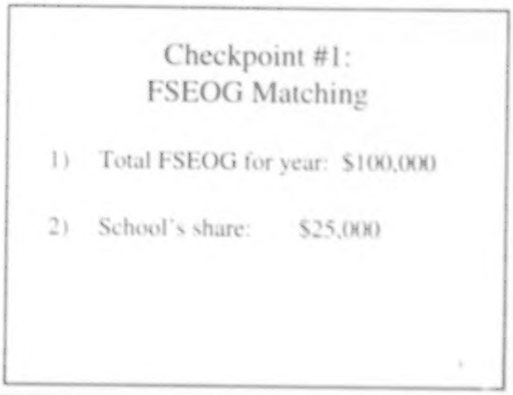
Remember, what you claim reduces the amount of funds available to students!



FSEOG Amounts

✓ Up to $400 more than the maximum per year for study abroad

✓ Awards for less-than-full-time students may be less, based on enrollment status.



Checkpoint #1: FSEOG Matching

1) Total FSEOG for year: $100,000

2) School's share: $25,000

FWS Employment Requirements

- ✓ Must pay minimum wage - $5.15/hr
- ✓ FWS workers must not displace regular workers
- ✓ Job can't involve constructing, operating, or maintaining building used for religious activities

FWS Payment Procedures

- ✓ Undergrads paid on hourly basis
- ✓ Grad/Professional students paid hourly or by salary
- ✓ FWS wages paid to students once per month
- ✓ Both the federal and nonfederal portions of pay can go directly to student or credited to student's school account with student permission
- ✓ Travel/Training expenditures allowed

America Reads Challenge- *No Match Required*

To pay students working as reading tutors for preschool or elementary children, school may use all federal funds!

Perkins Loans Eligibility

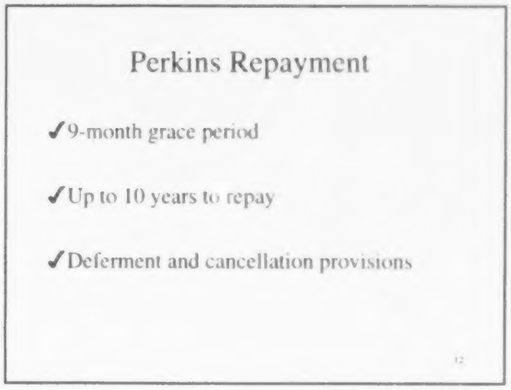
- ✓ For undergrad, grad, or professional student
- ✓ 5% interest rate
- ✓ Priority to students with exceptional need
  - May adopt same definition as FSEOG

Source of Perkins Funds

- ✓ FCC and ICC
- ✓ Borrower repayments
- ✓ Collection charges
- ✓ Funds from ED to cover loan cancellations
- ✓ Other income, like interest

Perkins Promissory Notes

- ✓ Open-ended
  - single note covering several years
- ✓ Close-ended
  - Covers one award year or term

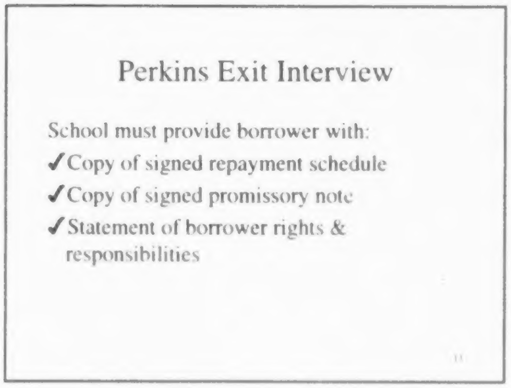


Perkins Repayment

✓9-month grace period

✓Up to 10 years to repay

✓Deferment and cancellation provisions



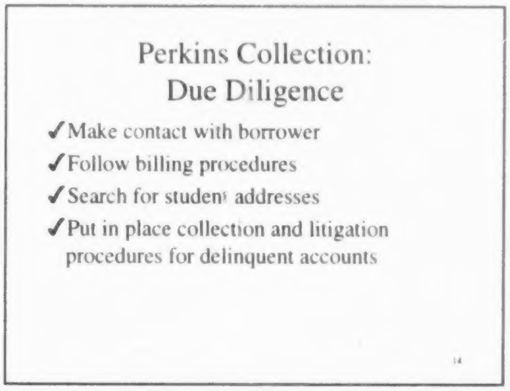
Perkins Exit Interview

School must provide borrower with:

✓Copy of signed repayment schedule

✓Copy of signed promissory note

✓Statement of borrower rights & responsibilities



Perkins Collection: Due Diligence

✓Make contact with borrower

✓Follow billing procedures

✓Search for student addresses

✓Put in place collection and litigation procedures for delinquent accounts

Checkpoint #4:
Transferring Funds

1) Remaining Perkins: $150,000

2) Remaining FWS: $ 75,000

3) New FSEOG: $125,000

4) Transfer FSEOG: $ 0

Session 12

Loans, Loans, Loans

Direct Loans and FFELs—Loan Types

- ✓ Subsidized Stafford
- ✓ Unsubsidized Stafford
- ✓ PLUS
- ✓ Consolidation

Base Loan Amounts

- ✓ Made up of both subsidized and unsubsidized loans
- ✓ Initial loan limit for student borrowers

Additional Loan Amount

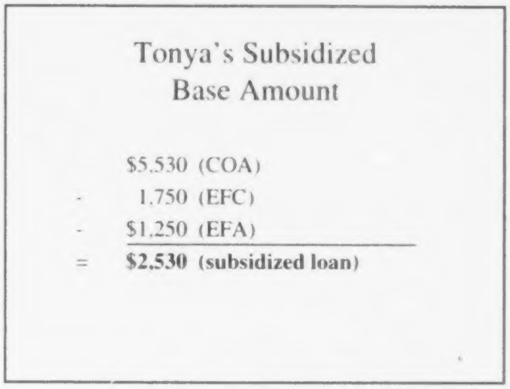
- ✓ Unsubsidized loans only
- ✓ For all independent students and dependent students whose parents are unable to borrow a PLUS Loan

Subsidized Base Amount

  COA
- EFC
- EFA
= Eligibility for subsidized loan

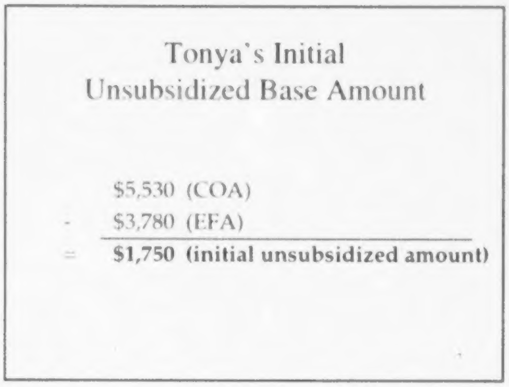
Unsubsidized Base Amount

  COA
- EFA (including subsidized loan)
= Eligibility for unsubsidized loan



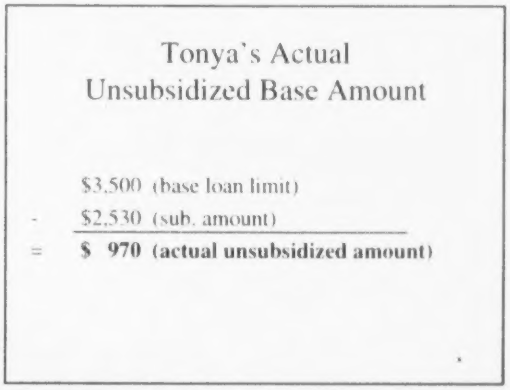
Tonya's Subsidized Base Amount

$5,530 (COA)
- 1,750 (EFC)
- $1,250 (EFA)
= **$2,530 (subsidized loan)**



Tonya's Initial Unsubsidized Base Amount

$5,530 (COA)
- $3,780 (EFA)
= **$1,750 (initial unsubsidized amount)**



Tonya's Actual Unsubsidized Base Amount

$3,500 (base loan limit)
- $2,530 (sub. amount)
= **$ 970 (actual unsubsidized amount)**

Additional Amount

COA
- EFA (including base amount)
= Eligibility for additional amount (unsubsidized only)

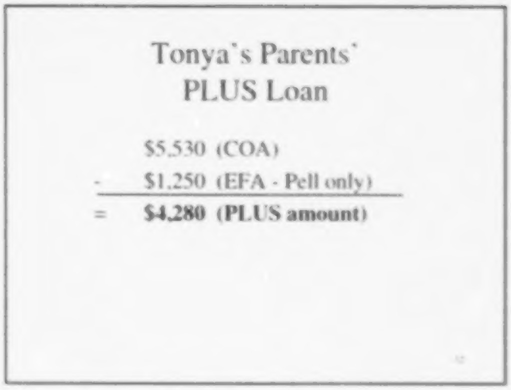
Tonya's Additional Amount

$5,530 (COA)
- $4,750 (EFA including base amount)
= **$ 780 (additional amount)**

PLUS Loans

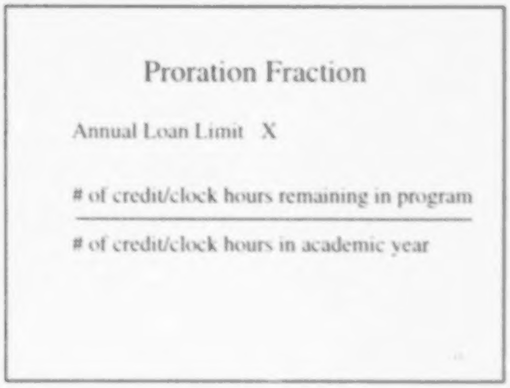
✓No loan limits

✓COA - EFA = PLUS amount



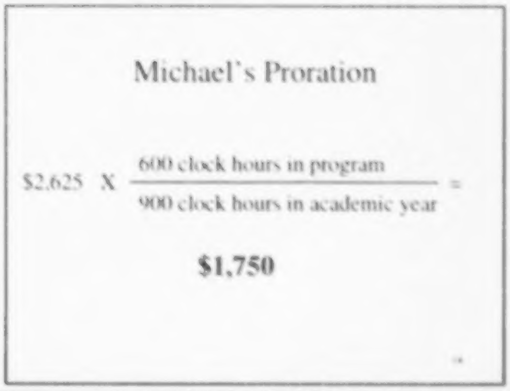
Tonya's Parents' PLUS Loan

$5,530 (COA)
\- $1,250 (EFA - Pell only)
= **$4,280 (PLUS amount)**



Proration Fraction

$$\text{Annual Loan Limit} \times \frac{\text{\# of credit/clock hours remaining in program}}{\text{\# of credit/clock hours in academic year}}$$



Michael's Proration

$$\$2{,}625 \times \frac{\text{600 clock hours in program}}{\text{900 clock hours in academic year}} =$$

$1,750

Charlene's Proration

$$\$3{,}500 \text{ X } \frac{\text{18 credit hours in program}}{\text{24 credit hours in academic year}} =$$

$2,625

Loan & Origination Fees

✓ Loan fee of 4% deducted from Direct Loan proceeds

✓ Maximum 3% origination fee + 1% insurance premium from guaranty agency deducted from FFEL proceeds

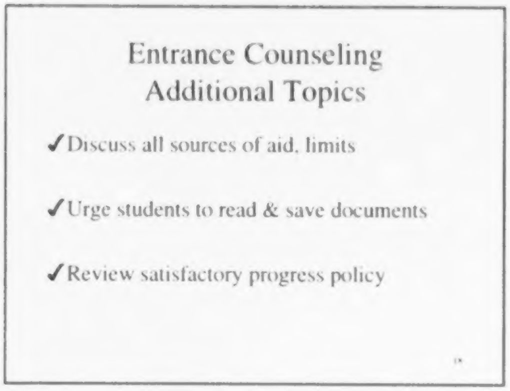
Deferment and Forbearance

✓ For both Stafford loans and PLUS loans

✓ Temporary stoppages of payment

✓ Granted in intervals of several months

✓ If loan subsidized, interest covered during deferment, but not forbearance

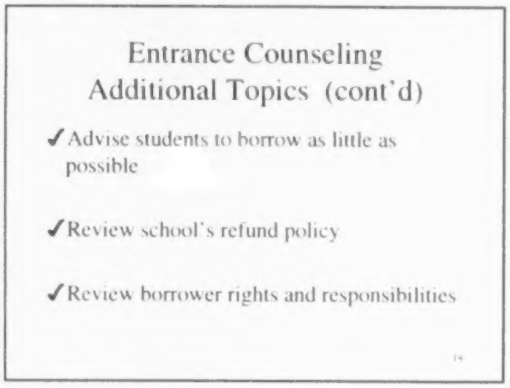


Entrance Counseling Additional Topics

✓ Discuss all sources of aid, limits

✓ Urge students to read & save documents

✓ Review satisfactory progress policy

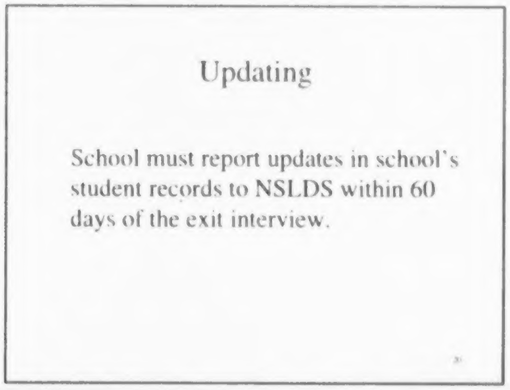


Entrance Counseling Additional Topics (cont'd)

✓ Advise students to borrow as little as possible

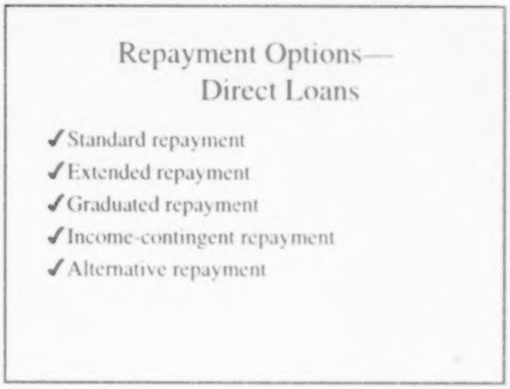
✓ Review school's refund policy

✓ Review borrower rights and responsibilities



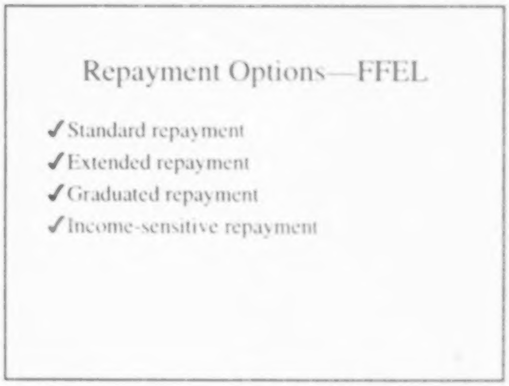
Updating

School must report updates in school's student records to NSLDS within 60 days of the exit interview.



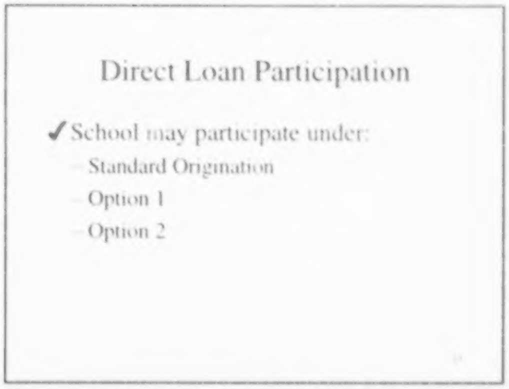
Repayment Options— Direct Loans

- ✓ Standard repayment
- ✓ Extended repayment
- ✓ Graduated repayment
- ✓ Income-contingent repayment
- ✓ Alternative repayment



Repayment Options—FFEL

- ✓ Standard repayment
- ✓ Extended repayment
- ✓ Graduated repayment
- ✓ Income-sensitive repayment



Direct Loan Participation

- ✓ School may participate under:
  - Standard Origination
  - Option 1
  - Option 2

The 1999-00 Direct Loan School Guide

To order, call:

1-800-848-0978

To view this and other references:

http://ifap.ed.gov

Consolidation Loans

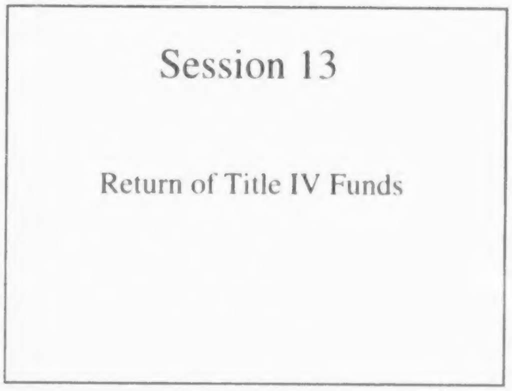
- ✓ For a Direct Consolidation Loan
  - -student contacts LOC
- ✓ For a FFEL Consolidation Loan
  - -student contacts Lender

Direct Consolidation Loan Advantages

- ✓ Fixed interest rate
- ✓ Lower interest rate for in-school
- ✓ Four repayment options
- ✓ No minimum/maximum loan amounts
- ✓ One lender/one monthly payment
- ✓ Defaulted borrowers may consolidate

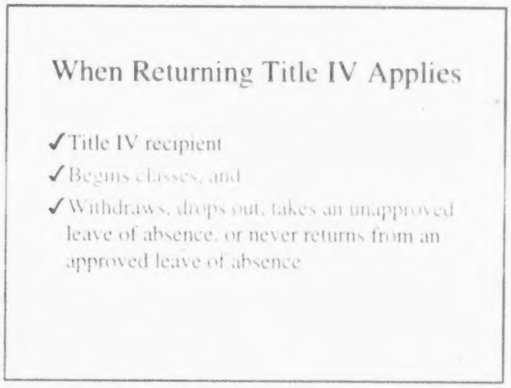
FFEL Consolidation Loan Advantages

- ✓ One lender/one monthly payment
- ✓ Three payment options
- ✓ No minimum loan amounts
- ✓ Fixed interest rate
- ✓ Up to 30 years to repay
- ✓ Defaulted borrowers may consolidate



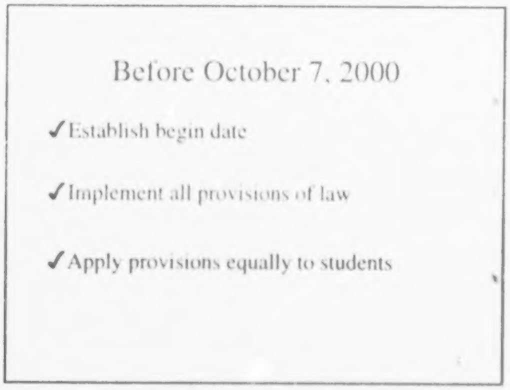
Session 13

Return of Title IV Funds



When Returning Title IV Applies

- ✓ Title IV recipient
- ✓ Begins classes, and
- ✓ Withdraws, drops out, takes an unapproved leave of absence, or never returns from an approved leave of absence



Before October 7, 2000

- ✓ Establish begin date
- ✓ Implement all provisions of law
- ✓ Apply provisions equally to students

Payment periods? Periods of enrollment?

- ✓ Payment Period-standard term-based programs
- ✓ Payment Period/Period of enrollment-nonstandard term-based or non-term based programs

Withdrawal Date for Schools NOT required to take attendance

If Student provides notification:

- ✓ Date the student began process, or
- ✓ Written or oral notification

If Student DID NOT Provide Notification

- ✓ Use Midpoint
- ✓ Document academically-related activity

If Student DID NOT Provide Notification Due to Circumstances beyond Student's control

- ✓ Date based on the Circumstances

Withdrawal Date for Schools Required to take Attendance

Use Attendance Record!

Leave of Absence

- ✓ School has Formal Policy
- ✓ Student followed guidelines
- ✓ School expects student will return
- ✓ School grants request

Sharing the Responsibility

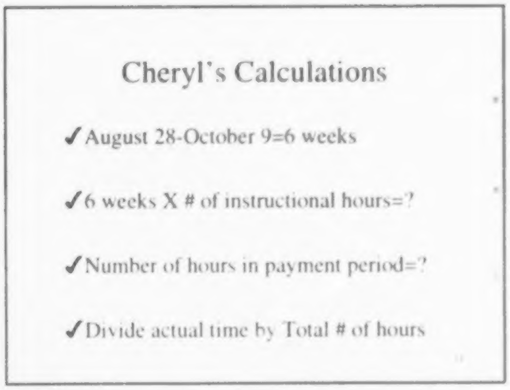
- ✓ Institutional charges paid first
- ✓ School returns Title IV aid before student
- ✓ Student returns the balance

Institutional vs Noninstitutional

- ✓ Institutional-student pays the school
- ✓ Noninstitutional-do not directly involve school

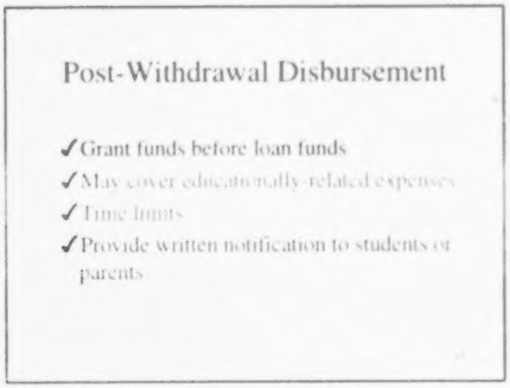
Calculation 1

- ✓ August 28-December 11=15 Weeks
- ✓ Academic Year=900 clock hours
  30 weeks
- ✓ 30 hours instructional time=6 hours per day
  5 days per week



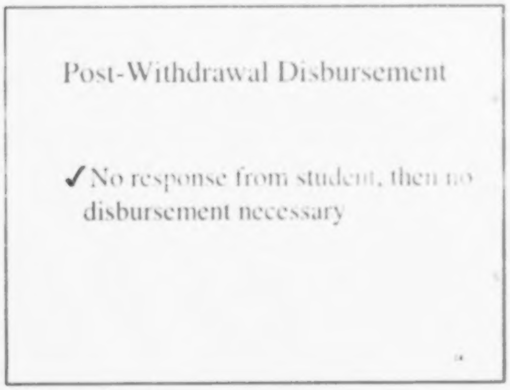
Cheryl's Calculations

- ✓ August 28-October 9=6 weeks
- ✓ 6 weeks X # of instructional hours=?
- ✓ Number of hours in payment period=?
- ✓ Divide actual time by Total # of hours



Post-Withdrawal Disbursement

- ✓ Grant funds before loan funds
- ✓ May cover educationally-related expenses
- ✓ Time limits
- ✓ Provide written notification to students or parents



Post-Withdrawal Disbursement

- ✓ No response from student, then no disbursement necessary

Post-Withdrawal Disbursement

✓ If a late response, then school can choose to disburse or not

Post-Withdrawal Disbursement

✓ Student is due $750 Post-Withdrawal Disbursement ($300 Pell, $450 Perkins)

✓ Outstanding Balance $500 ($350 tuition & fees, $100 Parking fines, $50 Library fines)

Post-Withdrawal Disbursement

✓ What amount of $750 would be credited to student's account?

✓ What funds would you use?

✓ What happens to the rest of the disbursement?

Session 14

Professional Judgment

Unusual Circumstances

- ✓Elementary/secondary tuition
- ✓Medical/dental bills
- ✓Unemployment
- ✓Changes in income
- ✓Changes in assets

Case-By-Case Basis

- ✓Not across-the-board changes
- ✓Students will come to you
- ✓Other situations may be indicators of potential professional judgment circumstances

Documentation

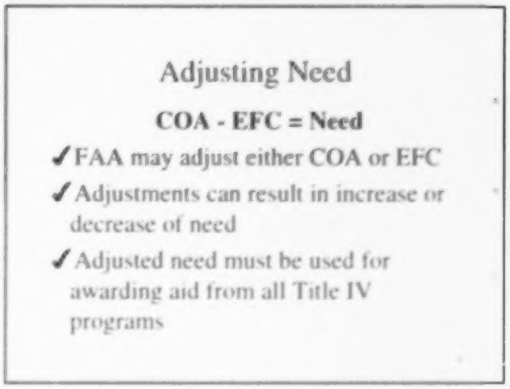
You must document all professional judgment decisions in the student's file!

Transfer Students

Professional judgments differ from school to school, so you might not accept a decision made at another school.

School Policy

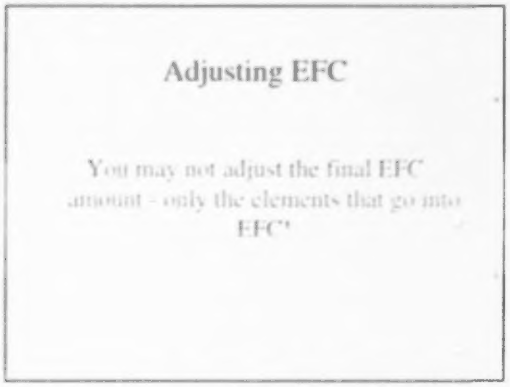
School's policy and procedures manual should contain guidance on professional judgment to ensure consistency.



Adjusting Need

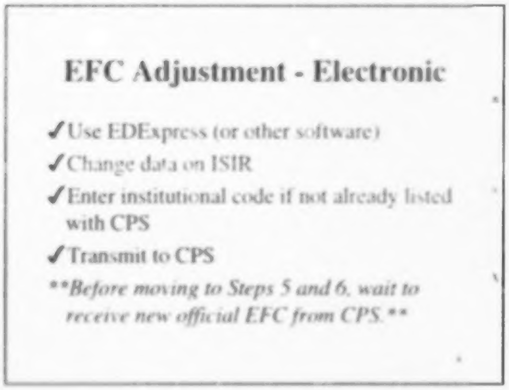
COA - EFC = Need

- ✓ FAA may adjust either COA or EFC
- ✓ Adjustments can result in increase or decrease of need
- ✓ Adjusted need must be used for awarding aid from all Title IV programs



Adjusting EFC

You may not adjust the final EFC amount - only the elements that go into EFC!



EFC Adjustment - Electronic

- ✓ Use EDExpress (or other software)
- ✓ Change data on ISIR
- ✓ Enter institutional code if not already listed with CPS
- ✓ Transmit to CPS

**Before moving to Steps 5 and 6, wait to receive new official EFC from CPS.**

Form approved
OMB #1880-1529
Exp. date 10/31/2000

SFA
UNIVERSITY
STUDENT FINANCIAL ASSISTANCE

DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

STUDENT FINANCIAL ASSISTANCE
Training Satisfaction Survey

Thank you for taking a moment to answer the following questions. We will use this to evaluate and improve our training and materials. Any information you provide is confidential.

Course ______________________________ Date __________

Location ______________________________

Trainer name(s) ______________________________

Your type of institution: ☐ Public ☐ Private ☐ Proprietary
☐ Undergraduate/Graduate ☐ Clock Hour/Credit Hour

Length of time in financial aid related responsibilities: (years/months) ________

Please complete the following statements using the scale below:

1 = Unacceptable
2 = Poor/less than acceptable
3 = Moderate/Acceptable
4 = Good/More than acceptable
5 = Outstanding/Much more than acceptable
N/A = Not applicable/Unknown/No Comment

GENERAL

1. How well did this training meet your needs for improving your student aid operations?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

2. How well did this training meet the overall objectives stated at the beginning of the course?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

3. How well did the training announcement describe this training?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

TRAINING MATERIALS

4. How helpful were the case studies, charts and other graphic illustrations?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

5. Our goal is to provide accurate, clear and organized materials. How do you rate our materials?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

PRESENTATION

6. Please rate the presentation and/or slide show for clarity and accuracy.

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

7. Was enough time devoted to trainee questions and exercises?

☐ Yes ☐ No

8. What suggestions do you have to improve the trainers' presentation?

TRAINING LOGISTICS AND MISCELLANEOUS

9. What additional training would you like us to provide?

10. What comments do you have about the workshop's location and training room?

ADDITIONAL COMMENTS AND SUGGESTIONS

You can now provide your comments on this or any other training session on our Training Information page at www.ed.gov/offices/OPE/announce/trng/ or by sending us an e-mail at **SFA_Training@ed.gov**

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EFF-089 (9/97)